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The Nation's Business

Re-capitalizing Canadian National
Now Segregate U.S. Financing
Needs of Newsprint Industry Demand Attention

ALMOST without the public realizing it, the Canadian National Railways is being recapitalized. Definite steps that have already been accomplished in the direction of simplifying the capital structure of the government-owned railway system include the settlement with the holders of Grand Trunk Pacific debentures and the settlement in connection with the Canadian Northern Railway income charge debentures. Now the financial reorganization of the American-owned subsidiaries of the system of the company is under way. Already plans have been approved for the merger of the dozen or more railway lines, owned by the Canadian National Railways between Detroit and Chicago.

As reported in an Ottawa despatch in The Financial Post this week a complete revision of the bonded indebtedness of these lines is planned, if consent of the British bondholders can be obtained. The result would be to remove these lines from the general blanket mortgages covering the whole of what used to be the Grand Trunk Railway system in Canada and the United States. New bonds on these American lines would be sold in the United States. The British bondholders would have to accept bonds secured only by the Canadian lines but no doubt sufficiently attractive terms can profitably be offered to them. If similar steps are taken with the Central Vermont Rly. and the old Grand Trunk line to Portland, Me., the American and Canadian lines will then be distinct units so far as financing is concerned. It will be easier then to take the further steps necessary to consolidate the various bond issues on the different C.N.R. lines in Canada, possibly not with much saving in interest now but in a manner that will facilitate refunding of present issues. The ultimate objective appears to be to get away entirely from the necessity of government guarantees of Canadian National Railway securities.

Of course, beyond all these negotiations lies the idea of eventually writing down the capitalization of the C.N.R. to a figure closer to present assets and earning power. Apparently Sir Henry Thornton wants to be the head of a railway that will stand on its own feet and this, it must be admitted, is a very laudable aim.

* * *

IT IS to be hoped that the negotiations now under way among the newsprint companies will be successful. Prices for newsprint are already too low. At present levels, Canada in general, and the newsprint companies in particular are receiving too low a price for the chief product of the Dominion's timber resources. Any steps leading to a more prosperous development of these resources naturally deserves the support, not only of the industry and investors in the industry, but of business men generally throughout the length of the Dominion. For prosperity in Canada is largely dependent on the economic development of the forest assets.

In the meantime, the negotiations, first suggested by The Financial Post two weeks ago, are in their initial stages. There is one factor, though, in the situation which may well assist the various interests to arrive at an accord. This one factor is the possibility of governmental interference in the industry.

* * *

IN QUEBEC, Mr. Taschereau and his government are not likely to sit back and twiddle their thumbs while some of the companies take steps which would eventually reduce profits to the vanishing point in the largest single industry in the province. Because all the companies operate on Crown timber limits, none can afford to ignore the desires of the government.

In Ontario, Mr. Ferguson has already reached an accord with Mr. Taschereau on power development. Both premiers might easily agree to make it hot for any newsprint company which failed to do its best to assist the constructive efforts now on foot.

Should the present pourparlers fail—as well they may, if some of the jealousies which have been engendered in the past are not forgotten—the provincial governments themselves may step into the newsprint picture in an endeavor to prevent the Dominion selling her greatest natural heritage at a figure in reality below cost.

Prices for newsprint now only barely allow the companies to make [illegible] their present scale of operations. The operators would be wise in seeing to it that any chance of further price cutting is eliminated. Otherwise, there exists the possibility of governmental interference—and government interference in industry has usually worked out most unhappily for all the interests involved.

Windsor Hotel Will Soon List Its Stock

From Our Own Correspondent

MONTREAL.—It is understood that the management of the Windsor Hotel will shortly make application to list the preferred stock on the Montreal Exchange. The earnings of the company during the first six months of the year are understood to be eminently satisfactory; doubtless application will be made to the stock exchange for the listing of the preferred as soon as the final figures for the half year are available.

This summer should bring about the largest influx of tourists which the city of Montreal has yet witnessed, with its consequent effect on the earnings of the hotel. The current street quotation for the preferred stock is about $90, and the common stock changes hands at about $55.

BIG GAINS IN OUTPUT OF DURANT

Canadian Company Has Record Six Months' Business

PROFIT IS LARGE

Exceeds Same Period Year Ago—June Excellent Month

During the past six months new history has been made by Durant Motors of Canada. Not only have sales and production reached a new high peak, but earnings and profits have been the best in the company's history, the dividend for the whole years having been more than earned in the first six months of this year, with orders on hand for July already exceeding the entire July month output for 1927, and prospects generally good for a continuation of this prosperity.

In the month of June alone, average cars made and sold numbered two for one per diem compared with a year ago; and as working days numbered 24½ this year against 21 days the previous June, actual number of cars turned out amounted to more than 233 per cent. of last year's June output. And probably the best part of the story is that overhead was considerably reduced; and owing to greater mechanical efficiency and perfecting of equipment, only 66 per cent. more workers were employed to turn out 233 per cent. more cars.

Actually, the output for June, formerly regarded as a "slackening off" month, was little below the record May output this year, thus delaying the usual easing-off in production more than a month later than in former years, and keeping staffs up to capacity for this much longer.

Good Six Months

For the six months' period ended with June, bona fide sales of units were more than 28 per cent. ahead of same six months last year, in spite of the slow take-off this spring, and the generally draggy market encountered by all car companies during the first few months of 1928. For the 11 months of sales year to date the company is some 500 cars ahead of the entire sales year 1926-27, with one full month yet to go. And for this month, July, there are orders on hand already for cars numbering more than the entire July sales-output in 1927. So that a very substantial increase in units produced and sold in the sales year ending this month is already assured as against all performances in any other year in the company's history.

In the Toronto area alone the company sold and delivered more than 1,000 cars during the past six months; and as it has some 656 dealers actively engaged in selling cars throughout the country, some idea of gross sales can be obtained by analysis of the Toronto figures.

Profits Well Up

Converted into terms of earnings and profits, the year's performance indicates that the company has very handily earned its dividend and something handsome to spare. Due to the efficient equipment of plant and the intensive organization behind it, manufacturing costs have been kept to a minimum, as well as overhead reduced through larger number of units per item of overhead. With the result that despite higher costs for certain raws, the profit per unit has been well maintained. Which simply means that profits have been very good, as number of units made and sold are up some 28 per cent. for the six months just closed. Profits are at least as good as a year ago this period; and when it is considered that more than 12 per cent. net was earned on the stock last year, the showing so far this year can be regarded as very good, with the second half of the year already off to a good start from the standpoint of orders on hand and prospective production.

Of course, this is the time of seasonal falling-off in production and sales; or rather it is a month beyond the ordinary, and production will now slack off for a little while. Also, it is difficult to forecast the autumn business. But with the large dealer organization and the energetic sales promotion campaign the company is putting over, Durant will probably get its share of business during the fall term. And the dividend has already been safely earned in the first half-years' operation.

In Good Liquid Position

A big feature of the past six months' operations has been the further bettering of the cash position of the company. At the end of June, Durant had in bank or interest-bearing trust investments, more than two million dollars, compared with only $22,000 at end of April two years ago. And this liquid condition has been achieved without in any way sacrificing inventories, which are higher than formerly, to provide necessary materials for manufacture of increased output. The company actually has in liquid assets close to dollar for dollar par value of its stock; and in addition owns valuable plant property and equipment against which there stands no mortgage or lien of any sort. The company has no bank loans or bonds; and has worked itself into an unusually strong liquid condition, particularly in the last eighteen months.

Regarding the policy of the company on the matter of new models, officials of the company state that no new models are contemplated at present, nor likely before the end of the present calendar year.

Ask Grand Trunk Bondholders Take $200,000,000 New Bonds in Lieu of Present Holdings

Another Step in Recapitalization of Canadian National Railways is Shortly to be Taken by Management and Minister of Railways

SEPARATE MORTGAGES ON U.S. LINES

From Our Own Correspondent

Ottawa.—Important steps in the re-organization of the capital structure of the Canadian National Railways have been taken in the last few days by the management of the road, and upon the authority of Hon. Charles A. Dunning, minister of railways and canals. These developments overshadow in importance all previous achievements in this regard and in reality mark the first vitally important step toward the goal which the government has in view. This goal might be broadly described as placing the capital structure of the National railways in such a position that the road would have a sufficiently wide margin of assets over its indebtedness that it would be able to finance itself, without obtaining a government guarantee to bonds, in the future.

Briefly the government now plans, if it can get the consent of the British titleholders of the old Grand Trunk system, to segregate the American lines westward from Detroit, take them out of the mortgage securing Grand Trunk bonds, issue new bonds in the United States, on the American lines, and give the British bondholders new bonds secured solely in the Canadian lines. None of the bonds would be guaranteed by the Canadian government.

The successes which have been scored by the present and preceding governments in removing obstacles to the re-organization of this capital structure—notably the settlement of the Canadian Northern Income bond and Grand Trunk Pacific Debenture stock issues—were but preliminary measures to the real problem. No real progress could be made while these securities were outstanding but now that they have been brought in, the management of the road has got to work in earnest.

Amalgamation of U.S. Lines

In The Financial Post of May 18, an account was given of the proposed amalgamation into one company of the thirteen or more small lines of railway which comprise the western lines of the Grand Trunk Railway, between the International Boundary and Chicago. At that time it was stated that the objective in view was the re-organization of the capital structure, but full particulars were lacking.

At that time the National railways, which owned a controlling interest in all these roads—the names of which were published on May 18—had made an application to the Inter-State Commerce commission for authority to weld them into one. The commission after considering the application granted it. Thereupon the management of the system sought a United States charter, incorporating a company in which all these roads will be vested. The name of the company, probably, will be the Grand Trunk Western Railroad. It is not expected that there will be any difficulty on this point, and the granting of the charter is only a matter of time and procedure.

When these things have been accomplished, it is the intention of the management to ask the Inter-State Commerce commission to authorize the newly-incorporated company to float bonds on the assets of the company up to the full amount provided for in the railway laws of the United States. There is little doubt that this authority will be given.

C. N. R. Will Control

When received, the management will utilize this bonding privilege to float new bonds, without a Canadian government guarantee, and to retire all bonds now outstanding and secured on these properties. In regard to the stock of the new company, it is not possible to write with assurance, except that the Canadian National will retain, as a minimum, sufficient shares to give complete control.

The really interesting point, however, arises out of the fact that if the full amount of bonds, allowed under the United States legislation, is issued, the Canadian National railways will not only be able to retire all bonds now outstanding, but will have a very large surplus of credit. The amount cannot be learned with accuracy but it will not be less than $70,000,000.

Bring Capital to Canada

Whether or no this additional $70,000,000 should be raised and brought into Canada for capital expenditures on the National railways is now to be considered. If this were done, the management of the road could function without seeking government assistance in financing for several years, by which time the capital structure of the Canadian lines might be re-constructed and the need for government guarantees removed for all time.

All these bonds are to be sold in the United States, to United States' investors. The reason for this is that it is considered wise, from a national point of view, for this Dominion not to have too much money invested in railways in a foreign country, no matter how friendly it may be. Then, in case of difficulty arising, the Canadian people would not stand to lose any money, even if these lines were confiscated.

Position of U. K. Bondholders

There is one serious obstacle in the way of success in the carrying out of this policy. A very large issue of bonds, amounting to about $200,000,000 is outstanding on the Grand Trunk system and the security includes the American lines. These bonds are held chiefly in the United Kingdom. At the present time these bonds are secured by a first mortgage on the property and it is expected that the bond-holders may hesitate to exchange their securities for a new bond.

The new bonds would be secured only by a mortgage in Canadian lines, and would represent perhaps $400,000,000 of financing in all as against $200,000,000 now. The government already has opened negotiations with the bondholders in the United Kingdom and their views will be known with certainty in a few months' time.

Northern Bakeries Profit is Ahead of Estimate

The Financial Post's recent estimate of earnings of $3 per share on the 250,000 shares of Northern Bakeries was characterized as conservative by a man in position to know exactly what this bakery chain is doing.

It was stated that the company did far better in the first half of 1928 than was expected by any of the directors not intimately acquainted with operation of the plants and it was believed that this record would be equalled or nearly equalled in the last half of the year.

Intensive cultivation of the fields close to the plants is the policy of the management. Since the new company came into existence a little more than a year ago more than $750,000 of unprofitable business has been eliminated; this unprofitable business was the shipping of bread by express to points which could not be reached by the company's wagons.

The volume of business lost when the shipping of bread was eliminated has been more than made up with business on which there is a profit, it is stated. The cake business has grown even more rapidly than the bread business and there is naturally a greater profit in cake than in bread.

B.C. ELECTRIC DEAL INCREASES TRUST'S PROFITS

British Empire Trust Reports Remarkable Expansion in Profit

LONDON.—The report of the British Empire Trust Company for the year ended April 30 discloses a remarkable expansion in profits—from £71,210 to £240,826. This large increase is attributable to the realization of the company's holdings of British Columbia Electric Railway preferred and deferred stock. Last year the company established a reserve fund by appropriating £100,000 from accumulated profits, and this appropriation is repeated on the present occasion, making a total of £200,000. The various classes of shares—the Employees' Profit Participating shares, the Preferred Ordinary and the Deferred Ordinary shares—all receive an additional 1 per cent. in dividend, as shown below:

	1928 £	1927 £	1926 £
Profits	240,826	71,210	42,595
To reserve	100,000	100,000	......
Dividends—			
Employees' shares	10%	9%	8%
Prefd. ordinary	7%	6%	5%
Defd. ordinary	9%	8%	7%
Carried forward	16,379	16,174	89,838

Further, they will participate in a share bonus. The sum of £90,677 of the year's profits is to be capitalized in the form of five per cent. cumulative perpetual preference shares, and these shares are to be distributed as follows: £677 to the holders of the Employees' shares, equal to 3s. per share; £60,000 to the holders of the preferred ordinary shares, which is also equal to 3s. per share; and £30,000 to the holders of the deferred ordinary shares, equal to 1s. 6d. per share. The directors are advised that the proposed distribution of bonus shares will not involve the shareholders in any liability for the payment of income-tax or supertax.

Farmers Dairy Enjoys Best May on Record

Earnings of Farmers Dairy, Toronto, were higher in May than in any previous May in the company's history.

With other dairy companies in the Toronto field, Farmers Dairy found the first four months of the year less satisfactory than had been hoped, but prices now are reasonably stable and the outlook for the remainder of the year is reported to be excellent.

CHICAGO SALE FOR LOBLAWS BEAT BUFFALO

Opening Days in Two Cities Finds Later Venture Ahead

Opening sales in the Loblaw Chicago stores—of which seven are now open for business—were not so great as was hoped, it is understood, although the volume was greater than in the early days of the Buffalo stores. No newspaper advertising has been used in Chicago as yet, while newspapers were used from the beginning in Buffalo. For this reason, the Chicago results to date are fairly encouraging, it is reported.

In all, 39 leases have been signed in Chicago and additional stores will be opened as rapidly as fixtures can be placed, stocks installed and the stores manned. Newspaper advertising will begin as soon as a sufficient number of stores are open to justify the expense.

New to Chicago

Groceterias of the Loblaw type are entirely new to Chicago but supervisors who were in the stores on the opening days reported that the patrons readily adapted themselves to the system in use and that apparently a favorable impression was created, both as to the attractiveness of the stores and goods and as to prices.

The Canadian company owns slightly more than 51 per cent. of the New York state company which operates stores in Buffalo, Rochester, Niagara Falls and Tonawanda and which is now venturing into Chicago. Eventually it is hoped that the New York state company will be in a position to pay substantial dividends on its common stock, which will be an added source of revenue to the Canadian company.

The Buffalo stores were operated for two or three years on a slim margin of profit but when volume was achieved the profit per dollar of sales compared favorably with the profit per dollar of sales for the Canadian company. Buffalo, incidentally, is well-supplied with chain stores and was a difficult region for testing the soundness of the Loblaw methods of merchandising.

Economy in Warehouse

The new central warehouse of the Loblaw stores in Toronto now has been in operation for more than two weeks and early returns indicate a more economical handling of goods, despite the capital expenditure running close to $1,000,000. There still are some minor problems, principally in the training of the employees, to be ironed out before the new warehouse can be said to be working at its maximum efficiency, but with the higher executives of the company paying close attention to needs as they arise, it is expected that a few weeks will see a new peak of efficiency achieved in the handling of foodstuffs in and out of warehouses.

All the attention has not been devoted to achieving shortcuts in the handling of goods. The offices of the company likewise are organized to obtain maximum results with the least effort and expense. The latest of mechanical aids in billing, the keeping of inventory, the tabulating of reports and the maintenance of essential records have been adopted and the casual visitor probably will be surprised to note that a business with a volume of $15,000,000 annually can be handled with so small an office staff.

Split Wainwell Shares on Ten for One Basis

Shareholders of Wainwell Oil will next meet July 10 to consider a plan of capital reorganization recently approved by the directors.

The present capitalization is 300,000 shares of no par value. The proposed plan is to split the stock ten for one and increase the number of shares from 300,000 to 3,000,000 shares of no par value. Shareholders will therefore receive ten new shares for each old one held. The present market in the stock is $2 to $2.50.

The company also plans to list the stock in the near future.

P. D. Bowlen, vice-president and general manager, reports that everything is proceeding favorably. Before the well was capped, to await delivery of tanks, it flowed at the rate of about 360 bbls. per day. This oil was directed into a natural reservoir which it is estimated now contains about 4,000 bbls. Tests made by government analyists have shown the grade to be good, Mr. Bowlen states, the Beaume test being 19 deg. to 20 deg.

"While we are waiting for tanks and equipment to take care of our producing well, we will not be idle," Mr. Bowlen stated. "We have about $140,000 in the treasury and drilling of our No. 2 well will be commenced at once."

Preliminary work of erected equipment is now under way, No. 2 will be located about 1,200 feet from No. 1.

The company recently purchased the old Kling Del refinery which has a capacity of 1,000 bbls. per day. About $5,000 will be spent by the company to put the refinery in working order. Transportation facilities are excellent, Mr. Bowlen said. A spur runs to the refinery and as the well is located about ¾ of a mile from Wainwright, the costs of handling the product will be low.

Mr. Bowlen is very optimistic about the future of the Wainwright field and spoke highly of the assistance given the companies by the engineers of the Department of the Interior.

MORE STABLE PRICE IS HELP TO CITY DAIRY

Settled Rates on Products Brings Better Outlook For Year

NO ACCOUNTS LOST

Expansion More Rapid Than Growth of Area Served; Stock at Present Quotation Attractive

Despite the late season for ice cream and similar dairy products, City Dairy, Toronto, in May, and probably in June, showed net earnings in excess of earnings for the corresponding months of last year. What is described as an unstable price situation reduced, it is reported, the net for the earlier part of the year but this situation has now been changed.

Competition still is keen in the Toronto field, but it is stated positively that no accounts are being lost and that new accounts are coming in at a rate more than commensurate with the growth of the territory served. The company's policy of having a wagon on every street every morning continues to prove its worth in getting first to new territory.

Year Promises Betterment

Although it is too early for definite knowledge, especially in view of the reticence of the management between annual reports, it is believed that the year will show a betterment in earnings over 1927 despite the slimmer profit margin which prevailed in the first four months. The company in 1927 earned $11.90 per share on the $25 stock which has been split four for one, or close to $3 on the new stock. This was an increase from $10.15 per share, or $2.54 on the new basis, in 1926.

City Dairy common has sold as high as 60 this year from a low of 44⅜ and is currently selling at 53-54. It is a stock with a brilliant record and has many friends at present prices.

Earnings as reported from year to year are after substantial appropriations for depreciation. The company has nearly $1,000,000 invested in Dominion and provincial bonds and it is expected that, within a year or two, the investments of this character will bring in sufficient revenue to pay the dividends on the preferred stock. There is $700,000 of 7 per cent. cumulative preferred oustanding which is non-callable.

PHOTO ENGRAVERS' STOCK NOW EARNS $5.00 PER SHARE

This with Dividend of $2 Makes Price of 35 Appear Low

Photo-Engravers & Electrotypers, Ltd., is reported authoritatively to be earning $5 annually on the common stock, which is currently at 35, or only seven times earnings. With a dividend of $2 annually, the stock thus appears to be one of the more conservatively priced issues.

There are 30,000 shares of common outstanding of no-par value and the company is without preferred stock or funded debt. The company has had a long record of success in this specialized field and the present rate of earnings indicates substantial recent growth. The stability of the business appears to be assured so long as electrotypes, which permit manifold reproduction of type set for printing, are used and so long as printed matter of all descriptions includes illustrations.

The company is under the same management as that which enabled it to grow from a small beginning to its present dimensions. The stock is listed on the Toronto exchange.

Holiday Season Checks Flow of New Financing

Paucity of new capital issues this week is largely due to two factors; recent heavy issues not being entirely assimilated and the fact that the real summer holiday season is here at last.

Probably the last-named is the chief reason; for the exodus of summer population has now begun with a vengeance and many of the bigger and smaller investors will be out of the market actively for some weeks to come. Many of the clients of city banking houses have now summer addresses; and it is not so easy during the holiday months to get in touch with clients and personally call or telephone and so quickly dispose of an issue. For this reason investment houses are inclined to go very slowly during the next month, and clean up odds and ends of present issues rather than go into new things.

And there are probably plenty of odds and ends to clean up; for with the large mass of new investments offered the public during the past six months it is too much to expect that they have all been anything like assimilated. The larger issues particularly will probably take some little time to get into firm hands; and some of the smaller issues, too, with a speculative flare, were probably initially bought for appreciation and will take their own time getting to the final investor.

Generally speaking, investment bankers expect the next few weeks to be decidedly slow as far as new issues go.

Honey Dew Plans Chain From Coast to Coast

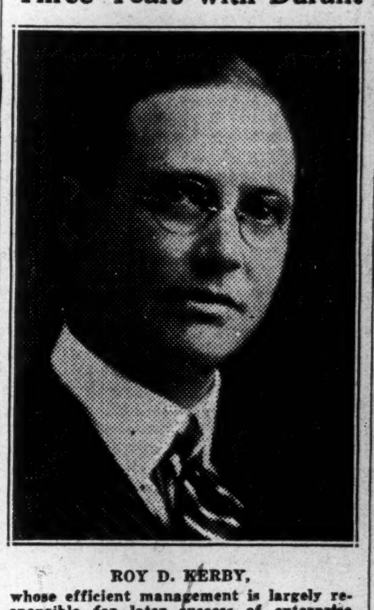
A year ago Honey Dew had three stores in operation, to-day they have twenty, with another 34 sites already leased. Present plans call for expansion on a large scale in Canada this summer, which will eventually result in a chain of establishments from coast to coast.

The capital structure of Honey Dew, Ltd., consists of 6,500 shares of preferred, and 100,000 shares of common stock, n.p.v. Orange Crush, Ltd. holds 70 per cent. of the common stock.

Apparently there is a possibility of Honey Dew extending their activities ties to England. It is understood that the company will make a careful survey of conditions there in the near future, and if a satisfactory report is obtained, expansion in that direction might follow.

Mortgage Discount Companies' Merger is Now Mooted

Three Years with Durant



ROY D. KERBY,
whose efficient management is largely responsible for later success of enterprise which boasts 11,000 shareholders. Mr. Kerby has just celebrated his third year with the company, and is now general manager.

Dozen or More of Small Companies May be Absorbed

SHAREHOLDERS GAIN

Reduction in Overhead May Mean Resumption of Dividends

The amalgamation of a considerable number of finance and mortgage discount companies operating in the Province of Ontario, now seems fairly well assured. For several months past, negotiations have been going on; and present indications are that not only one but possibly two or three consolidations of considerable proportions will be announced within the next few months.

It appears that the smaller mortgage discount companies have been having a rather hard time of it, durduring the past few years; and some of them are just about ready to give up the struggle and turn over the management of their affairs to more capable hands as represented by the stronger companies that have fairly well succeeded in making this business pay in both good and bad times. The latter companies are not at all averse to increasing their volume of business with the addition of practically no overhead expense; and as a matter of fact, there has already been some keen bidding among some of the big companies for the weaker companies whose faces are pretty well turned toward the wall.

Much to Gain

There are several reasons why the smaller companies—or some of them at any rate—have been finding it hard sledding, particularly during the doldrums in the real estate market. For one thing the declining mortgage interest rate and the amazing amount of money both private and corporate competing in this field, has very definitely cut down profits. For another thing, stagnation in general real estate sales has played the mischief with prospective and actual profits; for all mortgage discount companies repossess a considerable amount of property annually, and depend upon the returns from sale of same for a considerable amount of their profit. Sales have been decidedly sluggish, in many cases almost impossible to negotiate. This is borne out by the large proportion of real estate held particularly by the smaller companies; real estate that far from augmenting the profits of these companies, has become a very real liability, in many cases being disposed of eventually at a considerable loss.

It is further stated the actual value in second mortgages often does not exist nowadays; and it takes the keenest knowledge of the business to correctly valuate properties and prevent later disaster due to disproportionate shrinkage in values. During the real estate slump, it is stated that many builders were actually financed and paid their fees out of the mortgage monies, for this purpose a combined first and second mortgage or their equivalents providing the funds for both land and building as well as paying the promotion and other expenses. So that when the buildings were completed the actual rock-bottom cost equity was more than contained in the two outstanding loans, the selling price representing additional hoped-for profits often unattainable in dull times. The net result of this kind of builder-support loan is that when the property reverts to the second mortgage it is often impossible for him to realize anything like the mortgage values in an auction or mortgage sale; and hence losses in many instances have appeared on the books of certain mortgage discount companies due to this cause alone.

Hence the need for management of the highest calibre, and valuators familiar with pre-inflation valuations, so that eventual sales might yield else but losses. And equally the need for strong resources behind the discount companies and reserves that allow of going slowly and safely without imperative need of hasty investment in order to make salaries and expenses.

Sufficient Capital Imperative

In this respect the larger companies have had all the advantages; for their plentitude of capital and

(Continued on page 2, col. five)

WALKER GAIN AT $8 RATE LAST MONTH

Combined Companies May Earn $5,500,000 After Writeoffs

After making liberal allowances for depreciation and other reserves, the Hiram Walker plant at Walkerville for May reports the best month in the company's history. This information comes from a reliable source. The Gooderham & Worts plant also is earning considerably in excess of the requirements of the 220,000 shares of stock which represent that unit's dividend claims.

Although conclusive figures have not been given for publication, it can be calculated with some exactitude that the earnings of the two plants which are the operating units of Hiram Walker-Gooderham & Worts, Ltd., are running at the rate of $5,500,000 annually, or about $8 per share on the 660,000 shares of stock outstanding.

This rate is about $2 less than the rate that rumors have been fixing for some time, but the definiteness of the latest report probably is more encouraging to the market

Probability that the stock is in a more favorable position now than for some time is evidenced by an advance of three points on July 4, when the information first became available. Apparently, also, the banks are somewhat less critical of loans on Walker's than heretofore. In a recent list, Walker's was given a loan value of 70 per cent.

For a number of years, at least, it is improbable if a beverage stock will sell in the same relation to earnings as do other industrial stocks. It is considered a hazardous stock by a large portion of the investment public and there is another large portion of the public which would not purchase a liquor stock. Yet with food stocks selling at twenty times earnings there are friends of Walker's who claim that the stock should sell at higher than six times earnings.

The long-term future of the stock is considered bright, despite the somewhat unsatisfactory situation that has prevailed for some months. One person with wide market experience pointed to the record of Noranda in discussing the possibilities of Walker's. He had in mind the more immediate past of Noranda, when it more than doubled in value after a period of weakness.

Investors' Index

INDUSTRIAL

Abitibi	8, 9	Howard Smith	8
Alta. Grain	10	Inter. Pete.	8
B. C. Power	1	Inter. Util.	4
Brazilian	4	Inter. Paper	8
Besco	9	J. S. Mitchell	9
Bldg. Prod.	9	Lake of Woods	15
Can. Vickers	15	Loblaw	1
Can. Car	15	Mtl. Cottons	10
C. P. R.	15	Nor. Bakeries	1
Cockshutt	10	Ont. Silknit.	5
C. & T. Bldg.	9	Ravina Rink	9
Can. Marconi	9	Robt. Mitchell	11
Cement	9	Royal Bank	15
Can. Wineries	9	Seaman-Kent	10
Durant	1	Supertest	10
Dryden	8	Sterling Trust	9
Deb. Co.	9	Stand. Royalties	9
Farmers Dairy	1	Traymore	10
G. T. R.	9	Wayagamack	15
Goodyear	3	Waterloo	15
Goderich Elev.	10	Wainwell Oil	1

MINES

B. C. Coal	19	McKinley	17
Cent. Man.	19	Monelk	17
Clericy	17	N. A. M. E.	17
Flin Flon	17	Noranda	17, 20
Grover	17	Reno	17
Hollinger	19	Sherritt	17
Home Oil	19	Sudbury Centre	19
Inter. Nickel	19	Tough-Oakes	19
Koot.-Flor.	19	United Algoma	20
Moffatt	19	Wright-Harg.	19

QUOTATIONS

Bonds	14	Listed Stocks	14
Calgary Stocks	19	Mining Stocks	19
Unlisted Stocks	14		

REGULAR DEPARTMENTS

Editorial	6
Business Review	7
Pulp and Paper	8
Your Investments	9, 15
When Women Invest	9
Insurance	12
Banking	13

DETAILS OF ISSUE SHOULD BE GIVEN, BANKERS ADVISED

Assoc. Committee Directs Attention to Faults of Prospectuses

VARIOUS STANDARDS

Stress Often Made on One Clause While Another, Equally Important, May be Omitted

Some recent tendencies in the issuance of bonds and stocks are decried in the report of the industrial securities committee of the Investment Bankers' Association of America. The report is published in a recent issue of the association's bulletin. E. Gerald Hanson and R. A. Daly are two Canadian members of this committee.

Following are excerpts from the report which should be read with interest by all investors who ever have been puzzled at the information, or lack of information, found in a circular concerning a stock or bond issue; the report was prepared by J. Augustus Barnard, of Dominick & Dominick, New York:

"It is our endeavor to stress briefly special features that should be examined carefully and if possible to try to throw new light on certain pitfalls encountered in the consideration of industrial financing," said Mr. Barnard, who continued as follows, in part:

"No better way can be found than to follow the instructions of the association to this committee, by which the committee is obliged to examine all the circulars or industrial securities issued by members. No matter how carefully circulars are prepared some are bound to contain occasional mistakes or omissions, and it is the province and duty of this committee to look for such and, when they appear to be of a flagrant nature, to bring them to the attention of the house responsible. Approximately 300 circulars have been so examined.

No Standard Followed

"It is almost amusing to note the 'alternation' with which one circular taken from the pile will carefully set forth that clause entitled 'purpose of issue' and the next one will deny it, stressing most splendidly the 'management' clause, which was entirely ignored in the first examined circular. This was revealed in countless instances. It is referred to here to caution members of the desirability or even necessity of including both clauses.

"In very few cases did we find the 'ownership' clause stressed in an important manner.

"One case we should like to mention. In a circular offering a preferred stock it was well set forth that 'for a period of years practically all of the common stock has been owned by the present management, who will continue to retain ownership of the common stock.' In a circular issued three months later, the same parties offering a common stock of a consolidating company stated 'that all of the common stock (of the above-named company) had been acquired.' There is a discrepancy in the statements which might lead to a charge of bad faith.

Class "A" Ambiguity

"There have been a great many issues of so-called Class 'A' stocks, some with preferential rate of dividend over Class 'B' or common issue, some without that, and some with a feature of participation over and above a fixed rate after the Class 'B' has received certain dividends. We feel that in many circulars the presentation of earnings applicable to such participating Class 'A' stocks has been a trifle ambiguous, not to say misleading. In no instance have the actual facts been departed from, but figures given do not present the picture which the prospective investor was entitled to see. In one instance a stock entitled to $4 showed in a tabulation $11 as applicable to dividends, and while this was technically correct as there was that cushion of $11 earned before the $4 dividend on the 'A' was in jeopardy, nevertheless after the 'B' had received that to which it was entitled there really remained but about $5 applicable to the 'A.' In one circular this was most lucidly set forth, but in many others we have found the matter distinctly ambiguous.

"The question of voting power, particularly in such issues of Class 'A,' or in common stocks, should be clearly set forth. In few instances have we noted that it was so done. When an investor is buying an equity stock he usually presumes he is buying the same security as that held by the managers or insiders, but it often occurs that the stock offered to the public has no vote and nothing is said about it, and we also feel that this should most carefully be set forth.

For Late Balance Sheets

"Another point the committee would like to call attention to is the problem of publishing more recent balance sheets. Some of them are too old. They should be of more recent date. In one case a balance sheet was given as of December 31, the bonds being offered in September. In that balance sheet, which was of the 'adjusted' order, was an item of approximately $4,000,000 cash; yet in November following the company was in default on a sinking fund payment amounting to approximately $150,000. A later balance sheet should have been submitted and would doubtless have shown a more correct condition of the company's affairs. No further comment seems necessary on such a situation.

"Several circulars were examined in which an offering of preferred stock was made based upon a business housed in a building on leasehold property. The reference to the fact of a leasehold rental being a prior charge was made in very small type and in a most inconspicuous way. The investor glancing at the circular could easily derive the impression that the dividend on the preferred stock was a first charge on the earnings. Unfortunately, investors, as a rule, do not read circulars carefully, and the average investor would scarcely have noticed the mention made of the leasehold charge. In our opinion these figures should be set forth in just the same manner in which an interest charge on bonds would be placed.

"Your committee could continue indefinitely with features to be criticized, seemingly unimportant, yet really vital, but we feel there is neither time nor space to more than touch on a few points, at random, such as the foregoing.

Keep Close to Management

"So much has been written on industrial financing both within and without this Association that we shall only elaborate on one or two important features. Management seems to be conceded by all to be the most important requisite. As has been ably epitomized in a previous report, the B. & O. R. R. has recently celebrated its 100th anniversary, yet how many of us buy clothes and necessaries at the same shop for more for more than, perhaps, ten years, how many use the same make of automobile for more than such a period? These concisely stated ideas, to our mind, most clearly point out to the investment banker the prime necessity of studying the management of a company he is considering and practising eternal vigilance in watching that management, after the securities have been marketed. Too often has it happened in the past that a management which has built up a successful business, having sold that business to the public through security issues, becomes lax and careless, and too often has it happened that the banker who placed those securities had not kept in close enough touch with the management to protect the interests of the issuing house and of the public—which are identical. Therefore, we feel we cannot lay too much stress upon the necessity of the investment banker inserting a clause in his original contract by which the information or earnings and the general trend of the business will be furnished at frequent and periodical times and all information, even of a most confidential nature, should be furnished. When the heads of business enterprises will take their bankers into close and intimate confidence, well in advance of any impending crisis, it will be much better for all concerned.

"The structure or form of an industrial security, of course, depends largely on the individual business to be financed. Old and well established corporations, with large assets and earnings can usually sell a bond, generally a debenture, of low interest rate. These are in a class by themselves, and this report has little concern with them. But the method of financing a small and new company has been argued back and forth until the conclusion arrived at is mostly a matter of individual opinion. We believe that such financing should be done by stock issues and not by bonds.

"While it is not the object of this Association to instruct or even to point out to its members in setting up a financial structure what risk they or the public should take on a security, this committee nevertheless feels that it is particularly their function to bring to the attention of the Association, certain features which they feel should be avoided.

Some Things to Avoid

"What we have in mind from a concrete standpoint is a tendency that seems to prevail considerably of late to put too many bonds either secured by mortgages or debenture issues, on certain industrial corporations rather than relying more on preferred or even common stocks for raising capital. Of course, with old recognized and large companies, this does not amount to so much, but with smaller companies and newer companies it is our feeling that financing by bond issues is a matter that should be very carefully weighed and the issuance of bonds reserved for emergencies as much as possible. The old homely saying about 'an individual's ability to mortgage his house to raise money to apply to his business' in an emergency is perhaps trite, but, nevertheless, the subject of that saying is a matter to be given deep consideration.

"The covenant in the articles of incorporation by which no bond issue can be placed ahead of a preferred stock issue without the consent of the preferred stockholders is practically universal, but if the management desires to or is compelled to issue bonds, then the preferred stock should have relinquished to them by the common stock some of its equity. The details it is obviously not our province to suggest, but a preferred stockholder is really in the class of a creditor, almost a bondholder, and if his consent is required to mortgage the property he should be given some of the equity he is preserving by his action. It has been contended that he must consent to save the property and therefore is entitled to no compensation. But the days of that sort of attitude have long since passed, nor should the preferred stockholder be disposed to say that he would take all he could get in liquidation, wiping out the common, but join with the latter in working to establish the business on a better foundation and receive from the common stock—that is the management—some sort of return.

"It is our confident opinion that the precepts so ably expounded in previous reports concerning the set-up of preferred stocks, and even debentures, should be followed more strictly. Some houses contend that as a general rule, but subject to certain exceptions a preferred stock should be represented by a minimum of 100 per cent. net quick assets. Certain houses have long demanded a larger percentage. Yet we have noted one instance where a company, fairly new and small, put out debenture bonds with scarcely 50 per cent. of net quick assets behind them, and these in turn were followed by a preferred stock issue. There are, of course, exceptions to all rules, but a more general adherence to the above will probably avoid a great amount of trouble in the future when business, commercially and financially, may not be so prosperous.

"There is a tendency, occasionally noted, to make a preferred stock appear almost as if it were a debenture bond. This practice should be decried and while every possible safeguard should be thrown around a preferred stock issue great care should be exercised in describing that somewhat anomalous form of security.

Yet Should be Flexible

"There is just one word of caution we would suggest—in drawing up the terms or conditions safeguarding a preferred stock, or even a bond issue—care should be observed not to make them so exacting that they would be an obstruction in the case of an emergency or the simple necessity of raising more capital.

"In referring to the question of balance sheet, we are treading on dangerous and difficult ground. We do not intend to delve into this intricate and highly specialized side of industrial financing. There is, however, a word or two that could be said here on this subject. The difference between a condensed and consolidated balance sheet is vast, yet the average investor does not always note that and is inclined to consider them identical. Therefore, care should be exercised in presenting the figures that no ambiguity can creep in. The so-called certificate of the accountants should likewise be free from misconstruction or ambiguity. For example, we have noted in a circular a wording that was not clear, whether the balance sheet had been adjusted to show the present financing after the accountants had submitted their balance sheet, or whether they had passed upon it in the adjusted form— made the adjustments themselves. In an endeavor to bring the accountants into even closer touch with the bankers, a sub-committee has been appointed from this committee who will collaborate with a committee from the American Institute of Accountants. The function of this sub-committee is to hold itself available to hear complaints, or differences of opinion, that may arise between a member and his accountants, and then take it up with the Committee of the Institute, for a decision or at least a clarifying opinion. It is not presupposed that this will entail very many occasions for action, but it is felt that such contact will be of benefit to the association."

Nation's Commerce

Brief Notes on the Canadian Chamber of Commerce Compiled from Official Sources

From Our Own Correspondent

MONTREAL.—As a result of representations made to the Federal Government by the Canadian Chamber of Commerce delegation last week, the government have decided to renew the wholesalers' licenses. For the past four years, the Department of National Revenue has issued licenses to some 1,100 wholesalers in Canada, under which they were allowed to buy from manufacturers and import goods without paying the sales tax until the goods had been disposed of. The license is good only for one fiscal year.

At the end of the last fiscal year, March 31, the government gave notice that it was going to cancel the licenses and that hereafter the wholesaler would have to pay the sales tax when purchasing supplies. Petitions were made by wholesalers in all parts of the Dominion against this move and a temporary license was issued, good until the end of last month. As a result of the further petition of the Canadian Chamber of Commerce, supported by 34 Boards of Trade throughout the country, pointing out that the government was reverting to a system that it had discarded four years ago and also that business would be retarded rather than accelerated, the Dominion Government agreed to renew the licenses.

It has been decided to enlarge the Business Committee of the Association. The board, located in Montreal, acts for the National Executive. Heretofore it has been entirely composed of Montreal men. But in order to enlarge the scope of activities of this committee, it has been decided to add members from Ottawa, Quebec, Hamilton and Toronto. Weekly meetings will be held in Montreal and periodically in the cities of the outside members. In this way the work of the Business Committee will take on added importance.

boards this year. In this way, it is anticipated that the association, through the expression of its member bodies, will be able to formulate a national economic policy along lines that will be compatible to interests in all parts of the Dominion.

"Bridge" Active on News of $4 Dividend Rate

From Our Own Correspondent

MONTREAL.—Dominion Bridge stock was one of the strong features of the Montreal market this week, stimulated by the reports, unofficial but regarded as well grounded, that its shareholders may receive a total of $4 in dividends this year. So far the company has been dispersing dividends at the rate of $2.60 per share annually. A $4 rate evidently would mean an increase in the regular rate or large extras for the remaining quarters.

It is known that the company has been exceptionally busy this year and also that it has a large amount of work on hand. Prospects are also good for securing additional business and reports have it that the company has recently secured another important contract, details of which will be announced shortly.

The Dominion Bridge will also have the advantage this year of substantial dividends from the Dominion Engineering Works, so that the profits for the current year are expected to show considerably in advance of the year ended October 31, 1927. In that year the company reported net earnings of $1,106,156—nearly twice that reported in 1926, and the largest in the past seven years. After making various deductions for depreciation, reserves, etc. they earned $2.85 on the 325,000 shares of no par value common outstanding.

MORTGAGE DISCOUNT COMPANIES MERGER IS NOW MOOTED

(Continued from page 1)

built-up reserves have enabled them to travel the safer paths of investment at rock-bottom prices rather than accept everything offered at what might appear, on the surface, attractive terms. And in another respect they have been able to better weather the storm of inflated valuations; they have been able to employ the most expert type of valuators and managers. In general the bigger companies have well weathered the storm; and their managers, with a broader knowledge of the business, have mostly chosen well their commitments and generally realized profits for the shareholders.

Another factor that has militated against profits of the smaller companies is the somewhat restricted and narrow realty field in the smaller municipalities where they have operated. Sales of repossessed properties in many small Ontario cities have been very difficult to force at even mortgage terms during the past few years; and the acquiring of such properties has resulted in many red ink entries in the ledgers of mortgage discount companies.

Some Exceptions

This does not apply, of course, to all of the companies operating outside the Toronto Metropolitan area; and the Mutual Finance, of Windsor, has been profitably operated for several years. But the situation there is somewhat different. The company is a fairly big concern with more than $3,000,000 of assets, of which the greater part is invested in mortgages; and its operations come within the business scope of the big city of Detroit, many thousands of whose wealthy citizens are property owners in the Canadian Border Cities.

But the weak operating position of many of the smaller mortgage discount companies is evident from their balance sheets; and several companies that started out hopefully a few years ago to make money by discounting first and second mortgages and were able in fat years to pay fairly substantial dividends, have since been forced to discontinue these dividends, and have actually got themselves into far from enviable position.

Merger Advantage Evident

For such companies as these, salvation seems to rest in amalgamating with financially-sound well-managed larger concerns, where the bugbear of "overhead" will be cut to the bone, where more rigid inspection of properties is usually the case, and where there are greater facilities for rapidly disposing of repossessed property. In the case of one company which operates in a very fair way, operating expenses last year absorbed practically all the income; and in the case of several others, cost of management was totally disproportionate to the business transacted. With the larger companies, whose volume of turnover runs into a million or more a year, management expenses are little greater than where loans are only a hundred thousand or less; and by cutting out a number of these smaller companies' operating expense by absorption into larger businesses, shareholders can hope for at least a partial resumption of dividends that have now gone by the board.

Some steps in amalgamation of the smaller companies have already succeeded, as witness the absorption of the Brantford Finance Corporation and the Discount Corporation of Canada by the Manufacturers' Finance Corporation. Negotiations are stated to have been under way with probably a dozen additional companies, said to include the Monarch Mortgage and Investment Co., of Toronto, that is earning a nice profit for its shareholders and paying regularly both preferred and common dividends; the Toronto Finance Corporation, no longer paying dividends; the Hamilton Finance Corporation and the Sarnia Finance Corporation, both of which have heavy excess of real estate on hand; the Kitchener Finance Corporation, which has paid regular dividends for the past six years and is a strong little local concern; the London Finance Corporation and the Windsor Finance Corporation, about both of which little has been known since their organization by the Brooks' interests.

Dividends to Shareholders

The companies which are prominently mentioned as most likely to absorb some of the little fellows are the Manufacturers' Finance and the Mortgage Discount, Limited. The former has already been active in this field and is known to have been in negotiation with several of the little fellows. The Mortgage Discount Co. people are more reticent about their business, which has been built up into a strong organization largely through the energy and experience of their manager, Geo. R. Griffin, who is generally admitted to be an expert in mortgage loan affairs. But while information is lacking as to the intentions of Mortgage Discount in the matter of absorbing new companies, it is felt to be not unlikely that this company will shortly take over one or more of the larger companies at present not paying dividends and possibly one or two of the dividend payers. But if such an event does transpire, Mortgage Discount will take over such companies on a basis that will not in any way jeopardize dividends to its own shareholders; and the merged companies will have to stand on their own feet. Even so, they will stand to benefit considerably from savings in operating cost; and in the case of one company alone, this represents around 4 per cent. dividend available to shareholders who are now going without any.

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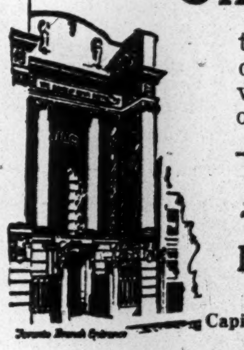

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SOME OPPOSITION TO CAPITAL PLAN OF ENG. ELECTRIC

Small Minority Wants Dividends Paid Up in Cash

NOTHING TO LOSE

By Recapitalization, and Resumption of Dividends Shortly

That the contemplated change in capital structure of the English Electric Co. has not met with the altogether unanimous commendation expected, is evident from the weakness in the preference stock and some murmurs of dissatisfaction on the part of small minority of the preferred shareholders.

It seems that the old argument against cancellation of payment of accrued dividends in cash and starting off with a clean slate where it has been impossible in years gone by for such a company to do other than add to its floating charges the fast-accumulating dividends—has cropped up. And while the argument of the small group opposing the recapitalization scheme contains nothing very new, their viewpoint, practical or otherwise as it may be, is at any rate entitled to some consideration.

It seems that a small group of Toronto shareholders originally purchased English Electric preferred at par from the simon pure income investment point of view, with faith in the company's initial and continuous ability to earn and pay the preferred dividends. As the years went by and dividends faded from meagre to nothing at all, they comforted themselves with the thought that the cash payments due them were accumulating; and that some day when the company entered an era of prosperity, they would be repaid for their waiting by receiving a substantial chunk of cash representing accrued dividends. And now that prosperity seems just around the corner they are somewhat disgruntled that their hopes of a cash payment are to be forever done away with through the exchange of securities with the cumulative feature removed, in the place of the cash they hoped for plus the continued cumulative feature their old stock contained.

Plan Seems Sound

On the other side, it is pointed out that as the cumulative feature of English Electric has really meant nothing except the piling up of additional charges year by year against future hoped-for but not realized profits, the cumulative feature has really meant nothing at all to shareholders and has certainly not netted them anything that the new shares could not give them. As a matter of fact, the 36 per cent. of back dividends represents almost a staggering sum on the $2,000,000 preference stock; and to expect English Electric to meet this big floating debt and an additional compulsory load of 8 per cent. per annum, is placing a burden that would tend to very definitely impair the needed capital that should probably be secured from profits earned year by year.

Dividend Gain

Hence the protagonists of the new capitalization plan are certain that the only solution of the problem is to eliminate the rapidly accumulating charge upon earnings, so as not to cripple the company's future by preventing a necessary portion of profits to be placed back in the business as new working capital. And by the same token they are equally sure that the new plan will offer immediate amelioration to preferred shareholders; for it will be possible this year to pay the equivalent of 6 per cent. on the former preference; and as much more as seems advisable from time to time may be added up to $5 a new class "A" share under the participating feature.

In reality, the small investor in old English Electric preferred stands to more than break even under the new plan of capitalization. Ability to pay dividends will, of course, as it always has, depend upon the actual earnings of the company in any one year, and if earnings do not warrant a dividend, possession of the old preferred stock will not bring it any nearer than ownership of the new securities. As a matter of fact, the rearrangement of capital gives the investor an added "fling" at dividends; for not only will he be the owner of both kinds of stock issued, but through his ownership of "B" common shares he will have a vote and voice in the affairs of the company and some say as to who shall manage its affairs.

And altogether apart from that, it is the general experience in such changes of capital structure that the shareholder comes out better than under the old form of accumulating but not paid dividends. In this particular case, the resumption of a preferred dividend, or what virtually amounts to same, seems immediately assured, with a rate equivalent to at least six per cent. on the preferred against the former 8 per cent.; and a very real chance of possibly more being paid before long under the participating clause. And then there is the probability of gain from appreciation in price and possible dividends on the class "B" shares he receives. For the owner of 50 shares of old preferred receives 100 shares of the new "A" stock' which is virtually a 6 per cent. preferred, non-cumulative stock; and in addition he will get, if the plan goes through, 25 shares of "B" stock, which are the voting common shares of the company. The value of the latter shares will depend largely upon the earnings of the company; but even taken at a low valuation, this represents in itself an immediate increment, with good possibilities of appreciation and sale at a price to at least in part make up for loss in accumulated preferred dividends.

And from the company's standpoint the plan is certainly advantageous. For it takes away the bugbear of accumulating dividends, and gives the company a new lease of life and an opportunity to expand in a way that should in the long run mean consistently large profits available for dividends.

Less Raw Wool Comes in; Canadian Wool Exported

The next bulletin of the Canadian Woollen and Knit Goods Manufacturers Association will say:

"Government figures just out of imports and exports for the fiscal year 1928 indicate that there has been a reduction as compared to fiscal year 1927 of about 15 per cent. in the amount of wool imported for further manufacture in Canada coupled with an increase of 112 per cent. in the export of Canadian produced wool, while the imports of manufactures of wool into Canada were only one half of one per cent. less than in fiscal 1927.

"The imports of wool into Canada in fiscal year 1928 was 13,895,679 lbs., or 2,527,483 lbs. less than in fiscal 1927; export of Canadian produced wool was 11,140,101 lbs., or 5,906,120 lbs. more than in the previous year; imports of wool tops were practically the same as the previous year at 7,685,081 lbs.; while imports of manufactures of wool further advanced than, and including, yarn amounted to $40,926,576, a decrease in value of only $255,435.

GOODYEAR GAINS ARE SUBSTANTIAL IN NINE MONTHS

"Very Satisfactory Increase" Over Similar Periods in the Past

Despite disturbances and upheavals in the rubber industry, as evidenced by the erratic fluctuations in crudes from the high to 43 cents a pound in January to a subsequent low of 17½ cents a pound, Goodyear Tire and Rubber Co. has just completed the most prosperous three-quarter year period in its history. After allowing for losses caused by the decline in the crude rubber market, net profits of the company for the nine months ended June 30th will show a very satisfactory increase over profits for the same period of 1926-27, according to an official statement; and with the three best tire months in the year still remaining before the close of the company's fiscal year, there seems no reason to doubt that Goodyear will hang up a somewhat sensational new record by September 30th next, with regard to both sales and profit.

All three of the company's plants are now working at maximum capacity; which is the more amazing in view of the extensive additions made to plant and equipment last year with a view to taking care of possible future needs. But these "possible future needs" have already rapidly materialized, with the largest volume of business that the company has ever had. Both dealers' and car manufacturers' businesses show a material gain over last year; and the twelve months will undoubtedly show further substantial gains.

Goodyear of Canada has more than 3,300 shareholders; and in keeping with the company's policy of frankness and co-operation, President C. H. Carlisle has kept them well posted—by means of quarterly and other periodic letters—with the progress of the affairs of the company. Incidentally, this has created much good feeling amongst the shareholders towards the management; and part of the company's success may be attributed to the consumer interest kept alive in this great body of shareholders by means of the periodic communications of the president. These letters have also played their part in tending to stabilize the market for the shares as shareholders have had first official information fro mtime to time as the progress of the company and the consequent inherent value of their shares.

Newfoundland Bond Issue Readily Absorbed in London

From Our Own Correspondent

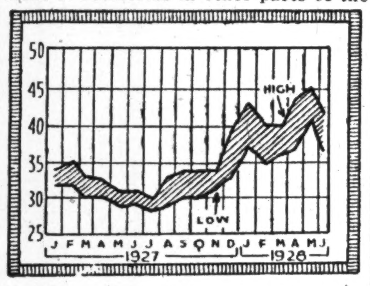
MONTREAL. — Cable advices from London, Eng., are to the effect that the new £2,000,000 loan of the Government of Newfoundland, 25-year 5 per cent. bonds, was heavily oversubscribed. The issue was offered to the public through the Bank of Montreal and syndicate members. The offering price was 100 and accrued interest. The money was borrowed by Newfoundland chiefly to refund dollar bonds matured at the end of June.

INTERNATIONAL PETE STANDS TO BENEFIT

Any Higher Prices For Crude Oil Will Help Imperial Oil Subsidiary

Magazine of Wall Street says of International Petroleum that it is one of the few important oil stocks now selling higher than before the period of depression which began more than a year ago. Closely allied with the strongest interests in the business and being in a very strong competitive position it should be among the companies most greatly benefited by the return of prosperity in the oil industry.

This company is controlled by Imperial Oil, Ltd., which, in turn, is controlled by Standard Oil Co. of New Jersey. The chief properties are located in Peru and Colombia, South America, and although principally engaged in producing crude oil for shipment to refineries in other parts of the



world, enough oil is refined at the company's 10,000 barrel plant at Talara, Peru, to supply the local trade and for export to other South American countries.

In Peru International Petroleum holds concessions running to 1998 on 600 square miles of oil lands on which, at the end of 1927, there were 1,411 producing oil wells and 7 gas wells. During 1927 a total of 138 new wells had been drilled, 124 of which were productive. Some 850,000 acres have been added to Peruvian oil concessions during the last few years, and 125,000 acres are controlled in Ecuador. Production in Peru had doubled during the last six years, and for 1926 amounted to 8,632,000 barrels, but was held down to 7,768,000 barrels in 1927 due to unfavorable crude oil market conditions. Peruvian crude is of a very high quality, particularly for lubricating purposes, in that respect comparing favorably with our best Pennsylvania grades.

Through Tropical Oil Co., International owns a concession covering about 1,333,000 acres in Colombia located 300 miles from the coast. A pipe line, owned by another subsidiary, has a capacity of 50,000 barrels daily and connects the oil fields with tidewater at Cartagena. The company now has 227 producing wells in Colombia, production running about 50,000 barrels per day with a shut-in production of about 40,000 barrels daily. During 1927, nearly 14,000,000 barrels were shipped to Canadian, American and foreign ports. Total production was over 15,000,000 barrels against only 323,000 barrels in 1922. Current production is running nearly double that of a year ago. On a favorable site near the mouth of the Magdalena river a large refinery will soon be erected.

International Petroleum has no funded debt. The preferred stock, 500,000 shares of $5 par value, is practically all owned by Imperial Oil, Ltd., which also owns about 54 per cent. of the outstanding 7,162,044 shares of common stock.

Dividends amounting to 75 cents were paid both in 1926 and 1927 and two dividends of 25 cents each have been paid to date in 1928. The common stock enjoys an active market on the New York Curb, the present price being about $38 per share. Like many other Standard Oil companies earnings statements are not made public.

Wells already drilled and capped give the company, in effect, vast quantities of oil in storage—free from expense and without risk from fire or other hazards and ready for the market the moment prices justify shipment.

CATTLE SALES HIGHER IN MAY

Market Was Bullish and Supplies Found Ready Purchasers

From Our Own Correspondent

MONTREAL. — Combined sales of cattle at the eight stockyards in Canada during May last were about 6,000 head more than during the previous month and 3,000 head more than during the same month last year.

The market was as a whole decidedly bullish in tendency and extraordinarily absorptive, says the Dominion Live Stock Branch. Generally, cattle were of lighter weights than of the same period of last year.

Returns from the individual yards show that Toronto sales were about even with those of last year, although through billing was much lighter. Trading was keen throughout the month. Shippers were sending in anything showing fat.

Montreal sold 6,000 cattle on the two markets, as compared with about 5,100 during May, 1927.

The Western markets displayed a fair amount of strength during the month. Winnipeg sold slightly over 10,600 cattle, a few hundred more than in the same month last year. Trading during the last half of the month, however, was weak. Calgary sold 3,500 head, a handful more than during May last year. The market opened strong, but later declined, which enabled shippers to move part of the supply to eastern packers.

Edmonton, Prince Albert and Moose Jaw handled a few more head this year than was the case in 1927. The Edmonton market was a little bit dull under a heavier supply than expected. Demand was good at both the other points.

WAGE AGREEMENT IN ALBERTA MINES

Coal Miners and Operators Agree on Terms for Period of Two Years

From Our Own Correspondent

LETHBRIDGE.—Acceptance by the employees of the C. P. R. Galt Mines of the new agreement negotiated through the federal conciliation board spells two years peace at least in the local domestic coal field.

The lead of the Galt company men will be followed by the other local unions in this field, including the employees of the North American Collieries at Coalhurst.

The agreement will continue for two years. Mines are working two and three days a week and some little coal is being shipped to Ontario. A start has been made and operators here are very optimistic over the future of the Ontario business as everywhere Lethbridge coal, which is of very high quality and suitable for transportation without loss, has met with general approval in the east. Not a single complaint from Ontario users of this coal has been received. The special summer rate terminates July 15 and already one hears it talked that a shipping period beginning January 15 and terminating July 15 may be asked for next year as it has been found that three months is very short for eastern consignments. Mines will soon be working on fall and winter coal orders from the prairies. A steady run from about September 1 on is looked for.

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DODGE BROTHERS, INC.

Committee under Plan and Agreement dated June 1, 1928

Preference Stock
Common Stock Class A
Common Stock Class B

Notice of extension of time for deposits

Notice is hereby given that the time within which deposits will be received under the above-mentioned Plan and Agreement has been extended to the close of business July 10, 1928. To participate in the Plan stockholders should deposit their stock immediately with the National Trust Company, Limited, Toronto.

EDWARD G. WILMER
GEORGE W. DAVISON
ROBERT P. LAMONT
Committee

ROBERT M. BENJAMIN, *Secretary*
31 Nassau Street, New York City

Root, Clark, Buckner, Howland & Ballantine, *Counsel*
31 Nassau Street, New York City

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Public Utility Investments

RECEIVER RULES INTER'L UTILITIES U.S. SUBSIDIARY

Buffalo & Erie Electric Line Faces Claim of Holding Co.

IS FRIENDLY MOVE

Aim is to Protect Assets of Company — Revenue Shows Growth

Justice Thomas H. Noonan, of the Supreme Court of the State of New York, has named a receiver for the Buffalo & Erie Railway, an electric line acquired a few years ago by International Utilities. The receivership was ordered after International Utilities, the holding company, had filed a judgment against the railway for $382,126. It is stated that the action is a friendly one designed to protect and conserve the assets of the railway.

The Buffalo & Erie has been in trouble for many years. International Utilities acquired the line from the bankruptcy courts in 1924 and considerable cash was spent in renovating the roadbed and for new rolling stock. The service was extended and improved and there was some increase in traffic, especially in the winter months and in the fruit season. But the line between Buffalo and Erie parallels a number of state highways, and buses, trucks and private passenger automobiles are severe competition. The electric line suffers from the competition of the steam lines through the Chautauqua fruit belt near the New York state line.

But Revenue Grows

Despite troubles with this least promising of its subsidiaries, International Utilities, which has paying properties in Kentucky and important actual and potential earners in the Canadian West, increased its gross income from $4,944,977 in 1926 to $5,742,764 in 1927, according to an official report recently issued.

Details of the earnings statements for the last two years follow:

Years Ended Dec. 31—	1927	1926
Gross earnings, including other income	$5,742,764	$4,944,977
Operating exp., maint. & taxes (incl. Federal and dominion taxes	3,181,955	2,800,127
Funded debt int. and discount expense	759,196	778,874
Other interest charges	53,394	73,686
Depreciation and Amortization	476,991	x432,060
Balance, surplus	$1,271,229	$860,228
Proportion applic. to minority stocks—Common	52,947	29,778
Preferred dividends	296,521	226,751
Balance	$921,761	$603,698
Profit on sale of invest. (after Fed. taxes thereon)	84,832	440,166
Total	$1,006,593	$1,043,864
Surplus charges	74,514	Cr.4,302
Consol. net earns., incl., sub. on the basis of stock ownership at Dec. 31	$932,079	$1,048,167
Previous consol. surplus (incl. earned, donated and paid in surplus	634,519	246,170
Adjustments applicable thereto	Dr.21,225	Cr.4,921
Proportion of yrs.' net earns. prior to acquisition	Dr.21,912	Dr.23,620
Paid in surplus on class B stock	284,000	......
Proceeds from sale of warrants for class B stock	42,800	......
Appropriation for employees pension fund	Dr.20,000	......
Discount on retired class A stock	......	15,133
Total surplus	$1,830,261	$1,290,771
$7 preferred stock dividends	239,274	208,096
Class A common stock dividends	492,798	448,155
Surplus paid in, donated and earned	y$1,098,190	y$634,519
Earned surplus acquired by purchase	476,677	437,638
Capital surplus acquired by purchase	663,374	628,327
Surplus arising from net excess of par value of subs. stocks over cost of acquisition of such stocks	3,827,614	3,715,900
Total surplus	$6,065,856	$5,416,384

x—Also including depletion in 1926. y—Including $14,140 earnings of subsidiary not available for dividends in 1927 against $53,026 for 1926.—V. 126, p. 2474.

Public Utility Earnings

Northern Mexico Power

For May	1927	1928	Increase
Gross	$131,870	$132,766	$ 896
Net	112,006	110,257	x1,748
For Five Months			
Gross	641,980	651,272	9,292
Net	540,619	540,067	x552

x Decrease.

Jamaica Public Service

May—	1928	1927
Gross earn.	$56,396	$55,691
Net earn.	23,133	12,316
Surp. after charges	17,795	17,158
12 Mos. end. May 31—	1928	1927
Gross earn.	$701,759	$672,261
Net earn.	291,272	274,309
Surp. after charges	221,975	200,257

Jamaica Public Service

	1928	1927
Gross earnings	$ 56,396	$ 55,691
Net earnings	23,133	23,316
Surplus after charges	17,795	17,158
12 months ending—	May 31, 1928	May 31, 1927
Gross earnings	$701,759	$672,261
Net earnings	291,272	274,309
Surplus after charges	221,975	200,257

The above figures converted from £ sterling at the rate of $4.86 2/3 to the £1.

Barcelona Traction

May—	Pesetas x1928	Pesetas 1927
Gross earn.	7,005,665	6,806,944
Oper. expenses	2,300,645	2,117,279
Net earnings	4,705,020	4,689,665
Aggre. gross earn. from Jan. 1	39,116,518	37,320,760
Aggre. net earn. from Jan. 1	27,907,400	26,673,423

x—These figures include the earnings of the newly acquired Gas Company de Mataro.

Adjusting Company Extends to Ottawa

From Our Own Correspondent

MONTREAL.—The adjusting firm of Kilgour, Hamilton and Company, Ltd., have opened a branch office at Ottawa. The new branch will be under the management of Alan V. A. Williams who was formerly with the Maritime Insurance Company Ltd. (Scottish Union and National) in Liverpool, and latterly with Robert Hampson & Sons, Montreal.

Guardian Insurance Elects New Manager

From Our Own Correspondent

MONTREAL.—John Blackwell has been appointed manager of the Guardian Insurance Company of Canada to succeed John Good who formerly held the position under the title of secretary.

The new manager was assistant secretary of the company and prior to that time was associated with the associate company, the Guardian Assurance.

Brazilian Traction Reflects Growth

Years Ending December 31	1927	1926	1925
Total revenue of subsidiaries	$22,105,500	$21,813,720	$17,527,506
Less:			
Depreciation	6,456,699	6,123,622	5,107,980
Bond interest	3,889,853	4,084,242	4,391,087
Expenses	278,572	233,257	293,308
	$10,625,124	$10,441,121	$ 9,792,375
Net profits	$11,480,376	$11,372,599	$ 7,735,131
Other income	467,293	372,798	520,155
	$11,947,669	$11,745,397	$ 8,255,286
Less Appropriations:			
Preferred dividends	529,277	600,000	600,000
Common dividends	6,416,579	5,329,211	4,263,266
Transferred to reserve	4,000,000	4,000,000	3,000,000
Surplus for year	$ 1,001,813	$ 1,816,186	$ 392,020
Add previous surplus	7,892,093	6,075,907	5,683,887
Balance carried forward	$ 8,893,906	$ 7,892,093	$ 6,075,907

Brazilian Maintains Revenue in Dollars

Despite Adverse Exchange, 1927 Report Reveals Consistent Growth of Canadian Company Operating in South America

Owing entirely to a drop in the gold value of the milreis to an average of 2½ cents under the 1926 average of 14.61 cents, the 1927 earnings of Brazilian Traction, Light & Power Co. shows but a fractional increase per share on the basis of the present probable outstanding capitalization in 1926, the earnings per share would have been $2.14 per share, while on the 1927 basis the earnings are $2.17 per share.

The figures contained in Brazilian reports, however, are merely confirmatory and explanatory of the monthly earnings figures, and are in the nature of ancient history, for the report appears at the end of the half-year following the term for which the report is issued, as is the case with most companies operating entirely outside Canada. The monthly earnings figures published last year showed the company to have achieved a decrease of $278,084 in net income up to the end of September despite a growing revenue in Brazilian currency.

Asking Higher Rates

October showed a much better position, because the comparison with the corresponding month of the preceding year was on a similar basis of exchange, and the succeeding months of 1927 and the four months of the current year for which figures are available likewise show substantial growth in net income. The first four months of the current year show an increase of $878,741 in net income over the corresponding period of the previous year. A same rate of increase for the balance of the year would mean an increase of approximately 50 cents per share on the new capitalization.

The report of the president, Sir Alexander Mackenzie, points out that the increased earnings in Brazilian currency are in part due to the conversion into paper money at the lower rate of exchange prevailing during the year, of the portion of the receipts payable in gold, and in part to the additional revenue derived from new installations which became productive during the year, and that while it was encouraging to have been able to maintain the dollar results of the previous year in the face of depreciation in the gold value of the milreis of 18 per cent., he points out that the large expenditure of recent years on new installations is yet in great part unremunerative, and that a proper return on this capital cannot be expected until the rates—especially of the tramway and telephone services—have been raised.

In a later part of his report, Sir Alexander remarks that the stabilized exchange has benefited the manufacturing industries which, under the present high tariff, are practically free from foreign competition. Stabilization also has helped the coffee planter, but it is stated that, on the other hand, everything internally has increased in price. There has, says Sir Alexander, been so far little readjustment of the company's rates, which have long since ceased to have any relation to present conditions.

Brazilian Telephone is in litigation with the prefecture of the city of Rio de Janeiro regarding the validity of the company's concession. The case, after being decided against the company, is now before the highest court. The former concession would have terminated in November of next year, when, if the decision is adverse, tenders probably will be called. In the circumstances, the company has refrained from extending the service greatly. At the end of 1927, the telephones in use in the system totalled 86,053, and increase of $83,677 from the previous year.

While the telephone business thus is being built only slowly, it is worth noting that the sales of gas in both Rio and Sao Paulo increased 12.3 per cent. over the previous year.

Power Output Grows

But it is as an electric company that Brazilian is known principally, and the shareholders will be gratified to note the continued expansion in this main branch of the company's business in Rio and Sao Paulo and in other centres. The Serra, Parahyba and Salto are the three principal developments and in each were there additions during the year and further expansion planned and provided. Kilowatt hours sold increased from 526,317,000 in 1926 to 629,558,000 in 1927. The traction services carried 584,055,133 passengers in 1927, compared with 552,078,727 in 1926.

Seven small, heretofore independent, power companies were purchased during the year. These enterprises have hydro-electric generating plants aggregating 5,000 horsepower capacity and included in the purchase is an underdeveloped water power with an estimated capacity of 40,000 horsepower. All seven of these companies hold exclusive concessions from the municipalities they serve, and with two exceptions are unable to meet the demand with their present supplies of power. The report states that these communities are growing industrially and otherwise.

Negotiations for the readjustment of tram and bus fares in Rio and Sao Paulo are under consideration, and Sir Alexander Mackenzie states that early decisions are hoped. The company operates about 130 buses in Rio.

Expect $2 Dividend

Earnings of Brazilian Traction for 1927 on the basis of the capitalization shown in the balance sheet were $11.25 per share after preferred dividends, compared with $10.45 per share in the previous year. The earnings on the new common shares are necessarily an estimate because the capitalization as it will exist when the new shares are issued in December is not reflected in the balance sheet published for last year.

The report of the board, as signed by J. M. Smith, secretary, says that approximately 90 per cent., or 90,000 shares, of the preference stock has been converted into common stock. This would have added 75,000 shares of common to the 1,065,883 shares outstanding of the old $100 par stock. Assuming that virtually all rights were taken up, the subscriptions would increase the outstanding common of the $100 par value to about 1,370,000 shares. This stock, split four for one, leaves outstanding 5,476,200 shares of no-par value.

It is believed that this no-par stock will go on a $2 dividend basis next year, which would be the equivalent of 8 per cent. on the old stock.

Accompanying tables illustrate the progress made by Brazilian Traction in the last several years.

Balance Sheet Shows Progress

The balance sheet shows the investment in properties, plant and equipment to have increased from $140,701,013 in 1926 to $151,179,416.

Cost of securities of and advances to companies owned or controlled by subsidiaries totals $74,654,900, compared with $68,942,222 under this head a year ago. Rights, franchises, bond discount, etc., show at $51,011,754, compared with $50,811,680 a year ago. Sinking fund investments are up from $7,491,387 to $8,263,204. Floating assets, including construction material, are down from $18,158,430 to $12,728,726.

Funded debt of subsidiaries is down some $450,000 through operation of sinking funds and now stands at $67,347,146. Floating liabilities are up from $9,884,359 to $11,826,090. Reserves are increased some $9,000,000 to $93,032,048. These include depreciation and renewals at $35,454,721, sinking fund reserves at $11,355,121, general amortization reserve at $3,560,000 and general reserves at $42,662,205.

Statistics of Combined Companies Controlled by Brazilian Traction

Traction	1924	1925	1926	1927
SERVICE—				
TRAMWAYS:				
Total track (miles)	417.23	422.25	424.50	445.00
Rolling Stock:				
Passenger cars	1,650	1,718	1,722	1,769
Freight and service cars	285	286	278	278
FUNICULAR RAILWAY:				
Total track (miles)	2.56	2.56	2.56	2.56
Rolling Stock:				
Electric locomotives	4	4	4	4
Passenger cars	4	4	4	4
Freight and service cars	2	2	2	2
ELECTRIC BUSES:				
Route (miles)	2.40	2.40	2.40	2.40
Storage battery buses	7	7	7	....
GASOLINE BUSES:				
Route (miles)	...	...	46.10	88.61
Gasoline buses	...	...	36	105
Car miles run—Tramways	46,015,000	46,348,365	48,968,857	51,249,369
Car miles run—Funicular railway	16,453	17,061	17,263	17,959
Car miles run—Electric buses	*89,027	118,849	118,322	95,740
Car miles run—Gasoline buses	......	......	810,000	1,876,057
Car miles run—Total	46,120,480	46,484,275	49,914,442	53,239,125
Area served square miles, (approximate)	113	113	113	121
Population served (approximate)	1,956,657	2,016,657	2,075,000	2,329,000
Total passengers carried	498,242,281	526,240,551	552,078,727	584,055,133
Electric Light and Power				
K. W. hours sold	483,240,843	479,540,843	526,317,699	629,558,995
Capacity of generating plants (kilowatts)	169,400	210,400	240,400	275,450
Total connected load (kilowatts)	378,901	403,700	435,210	512,089
Total consumers	175,397	185,853	201,620	230,721
Transmission lines (miles of circuit)	915.69	1,018.84	1,065.73	1,353.51
Distribution lines (miles of wire)	7,617.44	8,096.54	8,841.87	10,099.10
Area supplied (square miles, approximate)	2,583	2,583	2,583	6,113
Population served (approximate)	2,573,905	2,703,905	2,850,000	3,291,000
Gas				
Gas sold (cubic metres)	65,043,651	71,019,515	81,571,030	91,590,612
Total consumers	40,328	44,136	49,535	54,241
Mains laid (miles)	776.11	792.69	817.51	833.40
Stoves, water heaters and other appliances	54,975	57,582	70,037	73,495
Area supplied (square miles, approximate)	82	82	82	82
Population served (approximate)	1,600,000	1,660,000	1,720,000	1,856,000
Telephones				
Total number of telephones in service	77,977	81,752	83,677	86,058
Average daily calls	763,959	770,907	789,852	816,341
Wire strung (miles)	234,660	240,796	245,285	250,322
Pole lines (miles)	3,256.69	3,753.11	3,736.29	4,382.00
Area served (square miles, approximate)	63,912	63,912	63,912	64,000
Population served (approximate)	6,395,000	6,500,000	6,800,000	6,880,000

* During about three months the bus service was suspended by order of the Prefecture. Service was reinstated by order of the Court, which upheld the right of the Company to operate the buses.

British Columbia Power Corporation Limited

SOME of the buildings and plants necessary to render efficient power, gas and rapid transit services to the people of British Columbia.

1 B.C. Electric building
2 Victoria office building
3 Granville street building
4 New Westminster station
5 Line stores building
6 Cloverdale substation
7 Horne Payne receiving station
8 West Vancouver substation
9 Vancouver steam plant
10 Kitsilano shops, Vancouver
11 Earl's Road substation
12 Alouette power plant
13 Ammonia plant, Vancouver
14 Main Street substation
15 Prior Street building
16 Victoria gas plant
17 New Westminster substation
18 Langley substation
19 Point Grey substation
20 Chilliwack substation
21 Haro Street substation
22 Vancouver gas plant
23 Stave Falls power plant
24 Goldstream power plant
25 Dunbar station, Vancouver
26 Lake Buntzen plant No. 2
27 Mount Pleasant car barns
28 Cambie substation
29 Fir Street substation
30 Gas stores, Vancouver
31 Burnaby substation
32 Vedder Mountain substation
33 Matsqui substation
34 Jordan River power plant
35 Brentwood steam plant
36 Gas holders, Vancouver
37 North Vancouver substation
38 Lake Buntzen plant No. 2
39 Gas holder, Victoria
40 Prior Street car barns

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Class "A" Shares
Price $60. per share
With bonus of one Class "B" share with each four Class "A" Shares.
DESCRIPTIVE BOOKLET ON REQUEST 686

NESBITT, THOMSON & COMPANY LIMITED
MONTREAL TORONTO OTTAWA QUEBEC HAMILTON
LONDON, Ont WINNIPEG SASKATOON VICTORIA VANCOUVER
Gas Transportation Power

With Exchange Adverse, Dollar Revenue of Brazilian Traction Grows in 1927

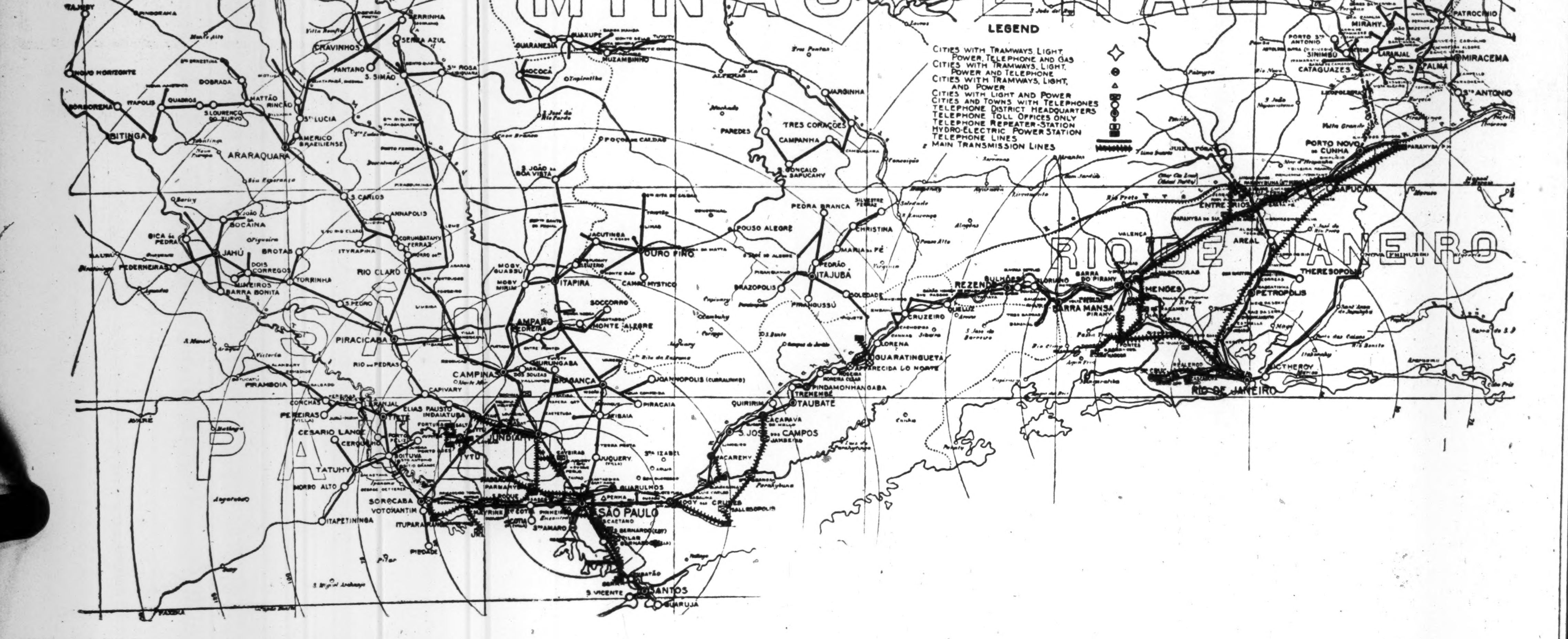
Excluding Inter-Company Items— Year ended 31st December	1924	1925	1926	1927
Average value of Milreis for exchange on New York, based on Remittances	11.08 cents	12.31 cents	14.61 cents	11.96 cents
Gross earnings from operation	$26,936,767	$31,243,759	$33,602,891	$38,319,989
Net earnings from operation	$16,643,472	$17,489,445	$21,700,727	$22,054,624
Miscellaneous revenue	76,301	38,061	112,993	50,876
Total revenue of subsidiaries	$16,719,773	$17,527,506	$21,813,720	$22,105,500
Bond interest and other charges of subsidiary companies	4,709,785	4,391,087	4,084,242	3,889,853
Reserves for depreciation and sinking funds of subsidiaries	4,238,848	4,807,980	5,823,622	6,156,699
Total charges of subsidiaries	$ 8,948,633	$ 9,199,067	$ 9,907,864	$10,046,552
Balance being revenue to Brazilian Traction Company, Limited	$ 7,771,140	$ 8,328,439	$11,905,856	$12,058,948
Interest on investments, etc.	478,381	520,155	372,798	467,293
Gross revenue Brazilian Traction, L. and P. Company, Limited	$ 8,249,521	$ 8,848,594	$12,278,654	$12,526,241
General and administration expenses	$ 310,604	$ 293,308	$ 233,257	$ 278,572
Provision for general amortization	300,000	300,000	300,000	300,000
Total charges Brazilian Traction, L. and P. Company, Limited	$ 610,604	$ 593,308	$ 533,257	$ 578,572
Total charges Brazilian Traction, L. and P. Company, Limited	$ 7,638,917	$ 8,255,286	$11,745,397	$11,947,669

Halifax-Dartmouth Bridge Prospects Are Brighter

Despatches from Halifax state that there is a good likelihood of work proceeding shortly on the Halifax and Dartmouth bridge. An arrangement has been concluded between the bridge company and H. M. Byllesby & Co. of Chicago by which the latter company will finance the undertaking, provided a satisfactory report is received in their traffic survey, and provided the Federal government will sanction the style and location of bridge and approve of provincial charter of the bridge company. As soon as the Federal departments give their sanction, the traffic survey will be undertaken by New York traffic engineers and harbor borings for location will be made by a Montreal engineering firm.

If these matters can be satisfactorily arranged in time, actual work on the bridge will commence this fall, making it possible to open the structure for traffic in the spring of 1931.

Brazilian Traction's Mighty Enterprises Cover South-Eastern Brazil



Map of Southeastern Brazil showing power, traction and telephone services of Brazilian Traction, Light and Power Company in and about the cities of Rio de Janeiro and Sao Paulo. The distance between circles on the map is 25 miles. A key to the various marks is given on the map.

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Canadian National Railways
BUREAU OF INFORMATION

A STAFF of officers, qualified to give information of the widest possible character, based upon a practical knowledge of the country, is maintained for the convenience of all persons desirous of investigating opportunities in Canada for investment of capital in development of industrial, mining, sylvan industries and water power.

Enquiries Invited

Natural Resources Branch, C.N.R. General Offices, Montreal, P.Q.
C. Price-Green, Commissioner.

New Issue

Rolland Paper Co.
6% Cum. Preferred Shares

Preferred as to capital and dividends. Dividends payable quarterly, cumulative from June 1st, 1928. Redeemable at 105. Shares of $100 par value.

The Rolland Paper Company, Limited, has been organized to acquire as a going concern the undertaking and assets of the Company of the same name, which for forty-five years has successfully engaged in the manufacture and sale of high grade writing paper. The members of the Rolland family who have been responsible for the growth of the business in the past, will remain on the board of the new Company.

Price: 97 and accrued dividend to yield 6.19%

With warrants to purchase Common Shares

Prospectus on request

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News of Investment Markets

CHRISTIE SALE GIVES HOLDERS HIGHER RETURN

Will Get $3.50 on Half Share of National Instead of $1.20

DEAL IS ATTRACTIVE

On Earning Basis, U.S. Stock Worth More Than Double That of Canadian Biscuit Firm

National Biscuit Co. acquires a controlling interest in Christie, Brown & Co. at approximately $82 a share after two years of negotiation in which time the stock has risen from 40 to 131½ and the amount of stock outstanding has been increased 20 per cent. The latest, and successful, negotiations were wholly secret and no inkling of the impending change was known before the official announcement on July 1.

Control passes to National Biscuit with F. K. Morrow and associates handing over more than 51 per cent. of the Christie stock on the basis of two shares of Christie stock for one share of National Biscuit. It is announced that minority Christie shareholders are to be given the same opportunity for exchange. On the basis of recent quotations for National Biscuit stock, between 160 and 162, the Christie stock is worth 80 or 81. National Biscuit in 1927 touched a high of 187, which would place a valuation of 93 on the Christie stock at present outstanding. In March of this year, Christie shareholders were offered new stock at $5 the share on the basis of one in five, so that rights worth about $10 per share justified a price in excess of $100.

Looks Like Good Deal

A short interest in the stock which totaled many thousands of shares is given as one explanation for the rapid rise in the stock prior to the announcement of rights. This short interest is believed to have paid rather dearly for the exercise of its judgment prior to the gradual recession in market value. There was substantial buying above the 100 mark on the assumption that a deal would be made of more immediate advantage than that which has been announced.

National Biscuit showed earnings of $7.11 on the common stock in the fiscal year 1927, compared with published earnings of $3.03 per share on the 105,000 shares of Christie stock then outstanding (after eliminating dividends on preferred since redeemed). On the basis of the present capitalization of 126,000 common shares, the 1927 earnings of Christie, Brown were $2.52 per share.

On the comparison of earnings per share as published, the deal which has been made appears distinctly to the advantage of Christie shareholders, as a half-share of National Biscuit showed earnings of $3.55, or 52 cents per half-share greater than the Christie earnings per share.

Return is Greater

Another immediate advantage to Christie shareholders is that the dividend on National Biscuit now is at the rate of $7 per year, whereas the Christie dividend is $1.20 per year. Thus Christie shareholders who make the exchange will receive $3.50 per annum where they now receive $1.20.

National Biscuit Co. stock has at least as good a future as stock in Christie, Brown & Co., from a market point of view. The company is the largest manufacturer of buscuits in the world and recently organized the National Bread Co. as a subsidiary to take over bread and handcake business. Many companies have been purchased in the last several years and National Biscuit has been looking lately to foreign fields for expansion. Last December, a quasi-official statement said that the company saw great possibilities in the biscuit and bread business in Canada and that this would be a field for further expansion. It was said that bakeries would be bought where satisfactory conditions and terms were found.

Departure from Policy

It was also said that the company had no intention of acquiring properties by exchange of stock, preferring to purchase additional units for cash. Thus the Christie deal is a departure from policy.

National Biscuit a little more than a year ago bought the Telfer plant in Toronto and has been operating it as a branch of National Biscuit Co. This plant will be operated as heretofore, but there will be no change in name, management or operating personnel of Christie, Brown, which has been in successful operation for 78 years.

Charles E. Edmonds, president and geenral manager of Christie's, who has been with that enterprise for more than 50 years, remains in active control. There will be no change in the directorate which is comprised of F. K. Morrow, George K. Morrow, J. F. Lash, R. C. Matthews, L. M. Gardiner, Rodney Hitt and Mr. Edmonds.

There may be some sentimental regret that this old Canadian company has passed into control of a United States corporation. But this is actually the second time that the control has rested in New York. The fact that there is to be no change in executive or operating personnel is a tribute to the Canadian management and it may be assumed safely that National Biscuit Co. will not dissipate the goodwill that lies in the Christie, Brown name and policies built up over more than three quarters of a century. This assures continuance of the Christie, Brown business as such.

Operates 50 Plants

National Biscuit Co., a New Jersey corporation, was a merger in 1898, since which time it has built and equipped seventeen plants and now owns 42 plants and operates two under lease. Its subsidiary, National Bread, operates bakeries in Albany, Buffalo, Syracuse, Cincinnati, Cleveland, Indianapolis and Pittsburgh. More than 200 varieties of biscuits are manufactured and the company a few months ago bought the Holland Rusk Co., manufacturers of baby foods at Holland, Mich. A recent compilation of the plants and locations shows the following:

Eight in New York, three in Chicago, two in Buffalo, Baltimore, Cincinnati, Marseilles, Ill., Philadelphia and Pittsburgh, and one in Albany, Cambridgeport, Mass., Cleveland, Denver, Desmoines, Detroit, Grand Rapids, Helena, Mont., Houston, Indianapolis, Kansas City, Los Angeles, Milwaukee, Minneapolis, St. Joseph, Mo., St. Louis, and Salt Lake City. The leased plants are at Syracuse, N.Y., and Zanesville, O.

National Biscuit Co.'s total assets at the end of 1927 were $109,659,335. Plants were valued at $76,227,000 after depreciation and current assets were shown at $33,432,335, of which $6,810,014 was in cash, or about $700,000 in excess of total current liabilities. Working capital at the end of 1927 was $27,283,579.

Common $25 Par

Capitalization of National Biscuit consists of 248,045 shares of 7 per cent. cumulative preferred of $100 par value and 2,046,520 shares of common of $25 par value. There are no distinctions between the preferred and common shares except as regards dividends and voting provisions. The preferred has seven votes per share, while the common has one vote per share.

Officers of National Biscuit are R. E. Tomlinson, president; W. W. Graves, C. F. Bliss, J. G. Zeller, A. G. Bixler, H. H. Tomlinson, vice-presidents; G. P. Wells, Secretary and treasurer; H. C. Taylor, assistant secretary; C. E. Dunlap, assistant treasurer; and C. A. Vilas, general counsel. Directors are F. L. Hine, R. A. Fairbairn, F. S. Wheeler, R. E. Tomlinson, Paul Moore, H. M. Hanna, Edward F. Low, H. F. Whitney, Jackson E. Reynolds, J. N. Coyningham, E. S. Moore, J. G. Zeller, A. G. Bixler, W. D. Vanderpool, F. C. Lowry.

Bond Notices

Brompton Pulp and Paper Company will redeem its first and refunding 6 per cent. mortgage bonds, series "A," on September 1st next at 105, payable at the office of the Quebec Savings and Trust Company, Montreal.

All of the 6½ per cent. 10 year mortgage debentures of the Ste. Anne Paper Company, dated September 1st, 1926, will be redeemed by the company at 104 on September 1st next. Payment will be made at the office of the Royal Bank of Canada, Montreal, Toronto, Halifax, Saint John, Winnipeg, Edmonton, Regina, Vancouver, or the First National Bank, Chicago, or at the office of the Farmers Loan Trust Company, New York City. The Ste. Anne Paper Company will also redeem on September 1st next, all its outstanding first mortgage 6½ per cent. sinking fund bonds, series "A" at 104½, payment to be made at the offices mentioned above.

On October 1st next, the Manitoba Paper Company will redeem all its outstanding first mortgage serial bonds, series "A," 6½ per cent. at 105, payment to be made at the office of the First National Bank, Chicago, or at the office of the Farmers Loan and Trust Company, New York City, or at the office of the Montreal Trust Company at Montreal, or at any of the principal offices of the Royal Bank of Canada, Montreal, Toronto, or Winnipeg.

BOND REDEMPTIONS

	Rate	Due	Redeem.	Price
St. Francis W. P. Co.	7%	1930	Aug. 1	102
St. Law. Paper Mills				
A & B, 20-yr.	6%	1928	Sept. 1	105
10-yr. debs.	6½%	1929	Jan. 2	102
St. Maur. Power	6½%	1953	Aug. 1	107½
Beauharnois Elec.	5%	1942	Sept. 1	105
Can. Gyp. & Alb.	6½%	1943	Aug. 1	105
Que. J-C Electric	5%	1931	Aug. 1	110
Que. R. L. H. & P.	5%	1939	Dec. 1	105
N. S. Trams "A"	7%	1952	Oct. 1	110
Abitibi Fibre	6%	1928	Aug. 1	104½
N. Bawlf Grain	6½%	1939	Sep. 1	105
Brompton P. & P.	6%	1946	Sept. 1	105
Canada Vinegars	6½%	1945	Dec. 1	105
Drummond Invest.	6½%	1938	Nov. 1	105
Mercury Mills	6½%	1942	Nov. 15	105
Murray Bay Paper	6½%	1947	Oct. 1	105
Bawlf Grain Co.	6%	....	Dec. 1	100½

FIRSTBROOK BOX CO. TO FINANCE SHORTLY

Company Embarking on a Heavy Program of Expansion in Business

Arrangements for the merger of Firstbrook Bros., Limited, Rudd Paper Box Co. and Canada Cartons Limited, have been practically completed and an issue of securities of the new Firstbrook Boxes Limited will shortly be made through a Toronto banking house.

For the time being production will continue in the three Toronto plants of the new company, while building is going forward on the recently purchased ten-acre site in Mount Dennis. New buildings being erected on this site will cover a ground area of more than 130,000 square feet; and will contain the most modern type of paper box making machinery.

ONTARIO SILKNIT PREFERRED OFFERING

Company is Largest Maker of Rayon Products in Dominion

There is shortly being offered to the public through a Toronto investment house an issue of preferred stock of the Ontario Silknit Limited, carrying rights for purchase of common stock, no par value, at $20 a share.

The Ontario Silknit Limited, is the successor company to a company of the same name organized in 1922 for the manufacture of Rayon goods, and its subsidiary the Summit Dyeing Co., which latter company has carried on an extensive business in dyeing Rayon and cotton and also raw silk piece goods.

The company has modern plants in Toronto, and new premises recently acquired will permit expansion of business from recent maximum output by some 75 per cent. additional.

Following are the particulars of the issue:

$850,000
Ontario Silknit Limited
7% Cumulative Preferred Stock
Par Value $100 per share

Capital—	Authorized	Issued
7% cum. pref. stock	$1,500,000	$850,000
Common stock n.p.v.	100,000 shares	40,000 shares

Company—Incorporated under Dominion charter to acquire assets of Ontario Silknit Limited and its subsidiaries. Is largest manufacturer of Rayon products in Canada, and has subsidiary plants in Australia and Mexico.

Purpose of Issue—To pay for additions to plant and equipment and provide working capital for expanding business.

Assets—Net current assets of $582,464 and fixed assets appraised at $713,969 with a mortgage of $138,125 standing against them.

Earnings—Profits increased from $73,688 in 1925 to $120,713 in 1927, and $41,799 for first three months of current year.

Management—Unchanged.

Offer—At $100 and accrued dividend with right to purchase one share of common at $20 a share by Harley, Milner & Co., of Toronto.

Business Conditions in United States

Measured by cheque payments, the dollar volume of trade in the United States during the week ended June 23 was greater than in either the previous week or the same week of last year, according to the weekly statement of the Department of Commerce. Operating activity in steel plants, although showing a decline from the previous week, was greater than a year ago. New building contracts awarded during the week were larger than in either prior period. Wholesale prices showed a fractional gain in the general index over the preceding week, being higher also than a year ago. Prices for cotton, like the general index, averaged higher than in either prior period, while iron and steel prices showed declines from both periods. Prices for copper, showing no material change from the previous week, were substantially higher than a year ago.

Loans and discounts of Federal reserve member banks were lower than in the previous week, but higher than a year ago. Loans to brokers and dealers by Federal reserve member banks in New York City were smaller than in the preceding week but were still above the level of last year. Interest rates on time money averaged higher than in either prior period. Bond prices, although showing no change from the previous week, were still fractionally above the level of last year. Interest rates on call loans averaged higher than in either the previous week or the corresponding period of 1927.

Output of bituminous coal during the week ended June 16, although smaller than in the preceding week, was slightly larger than in the same week of last year. Lumber production during the same week showed declines froom both prior periods. Petroleum output showed a decline from the preceding week and a year ago. Receipts of wheat at primary markets were smaller than in either the previous week or the same week of last year. Cattle receipts made similar comparisons with both periods. Receipts of hogs, although smaller than in the preceding week, were greater than a year ago.

Average 1923-25=100

	June 16 1928	June 18 1927
Steel operations	100.0	97.0
Bituminous coal production	85.5	85.0
Lumber production	94.1	97.3
Beehive coke production	29.8	55.9
Petroleum production (daily av.)	113.2	120.5
Freight car loadings	....	106.0
Bldg. contracts 37 states (daily av.)	143.3	146.7
Wheat receipts	39.1	50.7
Cotton receipts	34.2	38.8
Cattle receipts	76.6	80.4
Hog receipts	85.7	74.4
Price No. 2 wheat	....	102.1
Price cotton middling	77.9	61.8
Price iron and steel composite	85.7	88.6
Copper, electrolytic, price	105.1	89.1
Fisher's price index (1926=100)	97.8	92.8
Bank loans and discounts, total	127.0	117.2
Debits to individual accounts	133.0	120.5
Interest rates, call money	139.4	97.0
Business failures	108.4	98.8
Stock prices	190.1	168.2
Bond prices	108.4	108.3
Interest rates, time money	131.4	102.9
Federal reserve ratio	87.2	98.6
Detroit employment	118.9	86.4

Medellin Municipal Bonds Are Offered in Canada

From Our Own Correspondent

MONTREAL.—Nesbitt, Thomson & Company and Hanson Bros. are offering to the Canadian public an issue of $9,000,000 Municipality of Medellin external 6½ per cent. gold bonds of 1928, which was underwritten by an American syndicate headed by Hallgarten & Co. The price is 93¼ and interest, to yield over 7.05 per cent. to maturity—1958.

Medellin is the capital of Anticquia, the largest department of the Republic of Colombia, with a population of about 120,000. These bonds are a direct obligation of the municipality. Proceeds from the loan will be used to retire certain funded debt, as well as for additions, improvements and extensions to the municipal hydro electric and tramway properties and for sewer and paving purposes.

This Week's Bond Sales

Prescott and Russell

Matthews & Co., were the successful tenderers for an issue of $200,000 5 per cent. bonds of the combined counties of Prescott and Russell. The high bid was 98.73. Tenders follow:—

Matthews & Co.	98.73
McLeod, Young, Weir & Co.	98.39
Harris, MacKeen & Co.	98.51
Wood, Gundy & Co.	98.01

Ask C.S.L. Shareholders to Aid in Securing Traffic

From Our Own Correspondent

MONTREAL.—Urging assistance in securing increased volume of traffic, W. H. Coverdale, president, has circularized all shareholders of the Canada Steamship Lines, Limited.

The president refers in his letter to substantial increases in both passenger and freight traffic which have followed improvements and betterments in the physical property. Two entire fleets of bulk freighters have been purchased in the last few years, and new package freighters and passenger steamers have been constructed and put into service at an aggregate cost of over $20,000,000.

A new complete passenger and freight terminal has been acquired in Toronto and many other miscellaneous improvements have been made.

The company will confine its operations to the Great Lakes and the St. Lawrence River from Fort William to Newfoundland, has traffic facilities and connections which enable it to handle both passenger and freight business from and to any part of the Dominion. Traffic from the United States is becoming increasingly important in volume yearly.

Tenders and By-laws

July 9.—Town of Kenogami, P.Q.—$66,000 and $83,000, 5%, serial bonds. D. Demers, clerk.

July 9.—Town of Pointe Claire, P. Q.— $41,500, 5 per cent., serial bonds. E. J. Depocas, sec.-treas.

July 14.—County of Peel—$14,500, 5% debs. W. M. Willis, clerk, Brampton. (See announcement on page 16).

Aug. 1.—School Commission of Richmond, P.Q.—$60,000, 5% serial debentures. P. J. Girard, sec.-treas.

July 17.—Town of Drummondville, P.Q.— $54,000, 5%, serial bonds. J. Marier, sec.-treas.

July 18.—City of Shawinigan Falls, P.Q.— $109,000, 4½%, serial bonds. A. J. Meunier, sec.-treas.

July 17.—City of Verdun, P.Q.—$175,000, 5%, serial bonds. O. Deguise, sec.-treas.

British Columbia

The following certificates have been issued by the Municipal Department of the Province of British Columbia upon the following dates:—

Feb. 18, 1928, Point Grey, Water Mains in Blocks, 186, 187, 188 and 189 District Lot 176, By-law No. 853, 1927, $8,100, twenty years, 5%; Feb. 25, 1928, North Vancouver, Water Works Loan By-law, 1927, By-law No. 897, $5,000, twenty years, 5%; Feb. 25, 1928, District of North Vancouver, School Loan By-law, 1928, $6,500, twenty years, 5%; Feb. 25, 1928, District of Burnaby, By-law No. 655, School Loan By-law, 1927, $93,000, twenty years, 4½%; Feb. 27, 1928, City of Trail, Municipal Hall Debenture By-law, No. 492, $35,000, twenty years, 5%; Feb. 27, 1928, Point Grey, Local Improvement Deb. By-law, $615, fifteen years, 6%; March 2, 1928, Point Grey, Local Improvement Deb. By-law, $3,594, fifteen years 5%; March 3, 1928, District of North Vancouver Hospital Loan By-law, 1928, $80,000, thirty years, 5%; March 3, 1928, City of North Vancouver Hospital Loan By-law, 1927, By-law No. 896, $97,200, thirty years, 5%; March 12, 1928, District of Burnaby, Hastings-Barnet Road Loan By-law, 1928, $80,000 thirty years, 5%; twenty years, 4½%; March 26, 1928, Township of Richmond, Waterworks Loan By-law, 1928, No. 459, twenty-five years, 5%; March 29, 1928, Point Grey, Waterworks Distribution Extension By-law No. 154, 1928, $75,000, forty years, 4½%; March 29, 1928, City of Revelstoke Electric Light Rates Loan By-law No. 340, 1928, $95,000, twenty-five years, 5%; April 18, 1928, Point Grey, By-laws Nos. 21 to 152, 1928, Local Improvement, ten, fifteen and thirty years, 6%; April 18, 1928, Point Grey, By-laws Nos. 155 to 172, 1928, Local Improvement, ten, fifteen, and thirty years, 6%; April 27, 1928, Trail, By-law No. 503, Street Improvement Debenture By-law, $36,000, twenty years, 5%; May 3, 1928, City of Courtenay, The Lewis Park Debenture By-law, By-law No. 171, $5,000, thirty years, 5%; May 29, 1928, Trail, City of Trail Local Improvement Cement Sidewalk Debenture Consolidating By-law, $28,500, twenty years, 5%; May 29, 1928, Port Alberni, Municipal Buildings Loan By-law 1928, $10,000 twenty years, 5%; May 30, 1928, City of Nelson, Trafalgar School By-law 1928, By-law No. 458, $45,000, twenty years, 4½%; May 31, 1928, Point Grey, By-laws Nos. 221 to 262, ten, fifteen and thirty years, 6%; June 5, 1928, District of Burnaby, Burnaby Municipality Act, 1928 Loan By-law 1928, No. 697, $50,000 ten years, 4½%; June 13, 1928, District of South Vancouver, By-law No. 1491, $7,787, fifteen years, 5%; June 13, 1928, City of Cranbrook, School Deb. By-law 1928, By-law No. 309, $33,000, twenty years, 5%; June 13, 1928, City of North Vancouver, By-laws Nos. 910 to 924, fifteen years, 5%; June 13, 1928, City of North Vancouver, Lonsdale Avenue (Burrard Inlet to Third) Standard Lighting Local Improvement Deb. By-law, 1928, By-law No. 929, $6,323, fifteen years 5%; June 13, 1928, North Vancouver, Lonsdale Avenue (Fourteenth to Sixteenth) Standard Lighting Local Improve. Deb. By-law, 1928, By-law No. 930, $3,793, fifteen years, 5%; June 14, 1928, District of South Vancouver, By-laws Nos. 1497 to 1508, twenty years, 5%; June 14, 1928, District of South Vancouver, Construction of a sewer, By-law No. 1493, $115,669, thirty years, 5%; June 14th, 1928, District of South Vancouver, construction of a sewer, By-law No. 1494, $4,039, thirty years, five per cent; June 14, 1928, District of South Vancouver, Construction of a sewer, By-law No. 1495, $8,437, thirty years, 5%; June 14, 1928, District of South Vancouver, Construction of a sewer, By-law No. 1496, $4,085, thirty years, 5%; June 14, 1928, District of South Vancouver, By-laws Nos. 1492, 1509 to 1560, Construction of a cement sidewalk, ten years, 5%; June 15, 1928, North Vancouver, Keith Road and Ridgeway Avenue Storm Sewer Local Improvement Deb. By-law, 1928, $13,315, twenty years, 5%; June 15, 1928, North Vancouver, Fourth Street (south side) Sanitary Sewer Local Improv. Deb. By-law, 1928, $3,848, twenty years, 5%; June 15, 1928, North Vancouver, Fourth Street (north) (Lonsdale to St. Andrew's) Sanitary Sewer Local Improv. Deb. By-law, 1928, $4,660, twenty years, 5%; June 15, 1928, North Vancouver, Thirteenth Street (Lonsdale to St. George's) Sanitary Sewer Local Improv. Deb. By-law, 1928, $1,736, twenty years, 5%; June 16, 1928, District of Coldstream Municipal Equipment Purchase Loan By-law, 1928, $2,000, ten years, 5%; June 19, 1928, Duncan Local Improv. Deb. By-law Consolidating By-law, 1928, $13,000, ten years, 5%.

SASKATCHEWAN

Authorizations Granted by the Local Government Board from June 16 to June 23, 1928.

Schools—Moon Lake, No. 3948, $2,000; Cleveland, No. 2076, $1,000; Decorah No. 459, $3,000; Richmound, No. 860, $4,200; Beech Grove, No. 4702, $1,200; Ambassadord, No. 4740, $5,000; Green View, No. 4373, $500; Plato, No. 3321, $4,500; Dakota, No. 1814, $4,500; Gerrond, No. 661, $4,600; Village of Tessier, $2,500.

Debentures Reported Sold

Schools—Melville, No. 2187, $3,000, 30-yrs., 6%, H. M. Turner & Co., Regina; Southcote, No. 1967, $1,200, 5-yrs., 5¾%, Biggar Sinking Funds; Steele, No. 4158, $4,800, 15-yrs., 5⅜%, Waterman-Waterbury Mfg. Co.; MacKenzieville, No. 1424, $2,000, 5-yrs., 5%, F. C. Bray, Guernsey, Kensington, No. 2723, $2,000, 10-yrs., 5½%, C. C. Cross & Co., Regina; Brand, No. 4727, $4,000, 15-yrs., 5⅜%, C. C. Cross & Co., Regina; Ebenfeld, No. 484, $4,700, 15-yrs., 5⅜%, Geo. Moorhouse & Co., Regina; Nipawin, No. 4627, $1,500, 15-yrs., 5¾%, H. M. Turner & Co., Regina; Glenrose, No. 2183, $5,000, 15-yrs., 5⅜%, H. M. Turner & Co., Regina; Mantario R. T. Co., $17,600, 15-yrs., 5½%, Geo. Moorhouse & Co., Regina; Maryfield R. T. Co., $275, 5-yrs., 7%, C. C. Cross & Co., Regina; Raymore Village, $1,000, 10-yrs., 6%, Nay & James Regina.

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCES AND DOMINION GOVERNMENTS

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Prescott and Russell	June	Matthews & Co.	5%	....	$200,000	98.73	....
Dartmouth, N.S.	June	Johnston & Ward	4½%	20-yr.	51,000	98.57	....
Dartmouth, N.S.	June	Johnston & Ward	5%	20-yr.	1,000	103.57	....
Sandwich	June	Wood, Gundy & Co.	5½%	15, 20, 30-yr.	152,168	100.125	....
Saskatchewan Schs. and Phones	June	Various	...	....	47,075	....	....
Newfoundland	June	Dom. Securities Corp., Wood, Gundy & Co., and London Bankers	5%	....	10,003,400	$97-15s.	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Abitibi Power & Paper	June	Royal Securities, and U. S. Syndicate	5%	1953	$50,000,000	94½	5.40%
Stock Issues—							
Sudbury Northern Mines	June	Company	...	....	300,000 shs.	....	....
Silver Moon Hosiery Mills	June	Commonwealth Securities	N.P.	Com.	14,700 shs.	$12	....
Industrial Loan & Investment Corp.	June	E. J. L'Esperance	7%	Pref	2,187 shs.	100	....
			N.P.	Com.	1,094 shs.		
		(With right to subscribe for 1 sh. of no par com. stock at $25 a sh. with each 2 pref. shs.)					
Crystal Brewing Co., Regina	June	Company (With bonus of 3 shs. of com. with each pref.)	8%	Pref.	$50,000	$25	....
General Bond & Investment Co.	June	D. A. Urquhart & Co. (With bonus of one share of common with each two shares of pref.)	7%	Pref.	2,500 shs.	115	....

A New and Attractive Bond Issue

$50,000,000
ABITIBI POWER & PAPER COMPANY, LIMITED
FIRST MORTGAGE GOLD BONDS, SERIES A, 5%.
DATED JUNE 1, 1928, DUE JUNE 1, 1953

The Abitibi Company, with its recently acquired subsidiaries, now controls and operates six distinct units engaged in the manufacture of newsprint paper and associated products, namely: The Abitibi, Spanish River, Fort William, Manitoba, St. Anne and Murray Bay Companies.

Upon completion of this financing, these Bonds will represent the sole funded indebtedness of the merged companies.

The Bonds are a direct obligation of the Abitibi Company, are secured by a direct first mortgage on all fixed property, and are further secured by a floating charge on the entire undertaking of the Company.

The net assets behind this issue, after deduction of all liabilities except funded debt, amount to more than $140,000,000, as compared with the $50,000,000 par value, of the Bonds; that is,—*they are equivalent to over $2,800 for every $1,000, principal amount, of Bonds.*

The present market value of the Company's securities ranking junior to this issue is in excess of eighty-nine million dollars ($89,000,000).

The proceeds of the issue are to be applied almost wholly to the retirement of funded debt, with a resultant saving in interest charges.

The average annual earnings of three of the constituent companies alone, after depreciation and depletion, amount to almost three times the interest requirements of this issue.

The Sinking Fund provides for the retirement of 70% of the issue by maturity.

Price 94½ and accrued interest, to yield 5.40%
The offering is made subject to prior sale and change in price.
Complete information will be provided upon request.

The National City Company
Limited
Head Office—St. James and St. Peter Streets—Montreal
10 King Street East, TORONTO — 204 Blackburn Building, OTTAWA — 71 St. Peter Street, QUEBEC
221

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Members New York Stock Exchange
71 Broadway, New York
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WILLIAM C. KENT & JAMES G. LAFFOLEY
have been appointed joint managers of their Montreal Office
272 St. James St. Tel. HArbour 0241-2-3-4-5-6.

These Are Attractive Offerings

C. W. Lindsay & Co.	6½%	Preferred
St. Lawrence Paper Mills	6 %	"
Abitibi Power & Paper	6 %	"
International Proprietaries	Class "A"	
British Columbia Power	Class "A"	
Ontario Tobacco Plantations	7%	Preferred

The first-named is convertible into Common Shares. The second-named carries a bonus of Common Stock and Warrants, and the sixth carries a bonus of Common Stock.
The fourth and fifth are participating in additional dividends. On request, we shall be pleased to forward full particulars.

Barrett & Wood Limited
132 St. James St. W., Montreal

SIMPSONS, LIMITED
6% Cumulative Preference Shares
PRICE: 100 per share and accrued dividend to yield 6%

Applicable assets equal to more than $303 for each $100 par value Preference Share presently to be issued.
Earnings for 1928 equivalent to approximately seven times Dividend requirements this issue.

Circular with full particulars upon request.

Matthews & Company Ltd.
Investment Bankers
255 Bay Street ELgin 5192 Toronto

Hamilton & Company
INVESTMENT SECURITIES
132 St. James St., W., Montreal. Tel. HArb. 7235

We Recommend for Investment

International Proprietaries Limited
(Eno's Fruit Salt) Class "A" Stock
Price: $40 per share and accrued dividend, to yield 6%

Burns & Co., Limited
6% Cumulative Preferred Shares
(Carrying Stock Bonus and Warrants)
Price: $100 and accrued dividend, to yield 6%

C. W. Lindsay & Co., Limited
6½% Cumulative Redeemable Preferred Stock
Price: $100 per share, to yield 6½%

I. Miller & Sons, Inc.
6½% Cumulative Convertible Preferred Stock
Price: $108.25 per share and accrued dividend, to yield 6.08%

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TORONTO, JUNE 29, 1928

TOO EXTREME BY FAR

IN A WHIMSICAL, if not ironical, vein, the Manitoba Free Press draws a picture of "the great day when Mr. Bennett delivers to the United Farmers of Canada, Saskatchewan branch, the speech which he is now delivering daily to audiences in Quebec." But the differences between the U.F.C. and Mr. Bennett's party, on the question of the tariff, are not fit subject for flippancy. The tragedy of it is that the possibility of Mr. Bennett ever having an opportunity of presenting his viewpoint to the U.F.C., Saskatchewan, is practically nil. The tragedy of it is, too, that certain groups in Western Canada are no more capable of listening with an open mind to the case for the industrial centres than some of the so-called leaders of industry are capable of understanding the viewpoint of the intelligent west.

A few years ago, The Financial Post saw fit to criticize the attitude of some manufacturers who thought they could cram combines down the throats of the farmers. It feels that there is just as much lack of loyalty to the ideal of a united Canada in the viewpoint of the United Farmers of Canada, Saskatchewan section, which apparently would eliminate protection entirely from our fiscal systems. Manufacturers will certainly fail to recognize this picture of the tariff board, drawn for them by George F. Edwards, writing to Hon. James A. Robb on behalf of the U.F.C.

"Apparently the Tariff Advisory Board is working within circumscribed limits. These limits are, on the one hand, the assumption that the manufacturing industry is entitled to special privileges, and on the other hand that agriculture, which is the chief burden bearer and finally absorbs practically all the burden of the tariff, is sufficiently profitable or prosperous to bear the burden imposed upon it for the sake of granting special privileges to others."

Such extreme language ill befits any organization in Canada. At a time when the tendency is to better understanding between the different groups in Canada, ill-tempered views expressed by organizations that in the public mind, at least, are taken to speak for large groups in Canada, are to be deplored.

At the present time, in so far as representing the farmers of Western Canada is concerned, the U.F.C., Saskatchewan section, are the Three Tailors of Tooley Street. But if they join the Canadian Council of Agriculture the latter body may be forced to accept, with such modifications as it can insist upon, the extreme views of the U.F.C.

TELLING SHAREHOLDERS

CORPORATION managers who believe shareholders are not entitled to much information about their company are likely to convict C. H. Carlisle of heresy. The president and general manager of Goodyear of Canada signs a letter which accompanies the July dividend cheques. This letter answers a question which every shareholder in the company has been asking. Will Goodyear of Canada show a deficit as the result of having to lower the book values of inventory? We quote Mr. Carlisle's paragraph on the subject:

"There has been a material decline in the price of crude rubber since January 1, 1928, the decline being from about 43 cents in January to a low point of 17½ cents. After allowing for the loss caused by the decline in the crude rubber market, the net profits for the nine months will show a very satisfactory increase over the profits for the same period a year ago."

That is definite and reassuring to stockholders and the investment public. It confirms reassuring information which has been appearing in the news columns of The Financial Post since the end of governmental regulation of the crude rubber market presaged trouble for tire and rubber companies. Most of the United States companies, including Goodyear of Akron which controls the Canadian enterprise, will show a deficit for this readjustment period in which Goodyear of Canada "will show a very satisfactory increase over the profits for the same period a year ago."

The fact that Goodyear of Canada emerges from the readjustment period better off than before is a tribute to sound and farsighted management. This will enhance the confidence of more than 3,300 shareholders in this company. Yet we believe that an even greater reason for confidence in this company is Mr. Carlisle's frankness with its shareholders. Frankness with shareholders is a heresy in Canadian and American corporation doctrine which is all too infrequent.

"Treat them rough and tell them nothing" sometimes sums up the managerial attitude toward the meek individuals who supply the cash which makes the mare go. Fortunately for Canadian business, the number of directors who continue to treat the shareholders roughly is small. But there still are far too many who tell them nothing. Companies whose stocks are listed on the New York stock exchange must publish a quarterly balance sheet and income account. A yearly report suffices in the rules of Canadian exchanges. The Canadian exchanges lag in getting information to which the shareholder is entitled and which he must have, theoretically, in order to invest intelligently.

Governing committees of the stock exchanges might advisedly take steps to remedy a situation which is not fair to the investor and which, in the long run, is a deterrent to investment in stocks. The Toronto exchange, with its unlisted department operating in the same room as that in which the listed stocks are traded, finds curb trades often greater in volume of shares and values than all of the trading in listed stocks. This is hardly to the advantage of the exchange, which does not wish to appear among the exchanges of the world as principally a curb market.

One essential difference between stocks with full listing and curb stocks is that the companies represented by the former must give their shareholders more information than companies whose shares are on the curb.

Although the law requires it, there are some companies which do not submit to shareholders copies of the balance sheet as at the close of the fiscal year. The annual meetings of these companies are dull gatherings of a few shareholders who listen to optimistic platitudes from chairmen who give no real information. One large Canadian company in which there is a considerable stock-market interest has not as yet called its annual meeting, although its fiscal year ended with the calendar year.

The contrary policy which is the policy of Goodyear of Canada is merely right. What is wrong is that this policy is sufficiently unusual to call for comment.

CANADA AND REPUBLICANS

THE growing importance which relations with Canada have attained in the minds of people of the United States is evidenced by the fact that they became the subject of a special plank in the platform adopted by the Republican national convention at Kansas City.

The declaration reads:

"There always has been, as there always will be, a firm friendship with Canada. American and Canadian interests are in a large measure identical. Our relationship is one of fine mutual understanding and the recent exchange of diplomatic officers between the two countries is worthy of commendation."

Canadians also will be interested in the emphatic defeat of the proposition, coming from agrarian interests of the Middle West, to adopt the plan for the artificial stimulation of agricultural prices embodied in the McNary-Haugen bill, which was twice vetoed by President Coolidge. The measure, by its provisions relating to imports as well as by its influence as an economic experiment, would affect Canada noticeably. The idea, which appears to have originated in socialistic sentiment in the West, will not be tried if the Republican party prevails in the election. The proponents expect to see it indorsed by the Democratic party and to make it a principal issue in the campaign, but it may not accord with the plans of Governor Smith, of New York, who doubtless will be the Democratic nominee.

As an offset to this, in the minds of Canadians, the Republicans indicate a willingness to increase further the customs duties on agricultural imports—a measure which would hit Canada particularly. Precedents will require the Democrats to take the opposite side of this question.

THE CHIGNECTO CANAL

IN CALLING upon the Dominion government to give the utmost consideration to the project for a canal connecting the Gulf of St. Lawrence with the Bay of Fundy, Amherst people are quite within their rights. But when some Maritimers ask that the canal be built without delay, reasonable folks will call for more information.

On paper, the canal through the Chignecto Isthmus looks like one of the best and most logical canal schemes that has ever been presented to the Canadian people. It appears, at first glance, to have greater merit than the fantastic Rideau or Trent Valley canal schemes upon which the country has wasted millions. But a careful economic and engineering investigation must be a preliminary to any serious discussion of construction work on the Chignecto Isthmus.

The Amherst canal scheme is old. Recently in a lengthy report to the Amherst Board of Trade, Hance J. Logan, M.P., entered fully into the canal history of Canada and stated that on several occasions a canal route across the Isthmus of Chignecto had been surveyed, the line having first been laid out in 1822. Other surveys had followed in 1825, 1843, and 1869 as well as in later dates. He said that the canal had been considered of primary importance in 1871 by a Canadian Canal Commission who had ranked the Maritime project on a par with the development at the Sault Ste. Marie, Welland, Lachine and the deepening of the St. Lawrence Channel and had recommended that the canal be constructed at as early a date as possible. At the time the commission stated that the expenditure would be in the vicinity of $5,000,000. Mr. Logan also quoted the opinion of prominent Canadian citizens as well as the resolutions endorsing the canal that were passed at that time by boards of trade in Hamilton, Kingston, Toronto, Montreal and Quebec.

Because it is old, one cannot call the Chignecto canal scheme either good or bad. It must meet the test of conditions as they are to-day. If the proposed big ditch measures up under the examination of engineers, navigation experts and traffic students of 1928, then business Canada will be for it.

IT DOES NOT PAY

LAST week we published figures showing that electric power produced in publicly-owned plants is more expensive to the public than electric power generated in privately-owned plants in Canada.

Quebec is the great private ownership power province of Canada. It is "in the grip of the power ring," nearly 90 per cent. of its users of electricity being customers of privately-owned plants. Ontario, on the other hand, enjoys all the "benefits" of public ownership with over 90 per cent. of its users of electricity buying their power from publicly-owned plants. And so a comparison of the position of the people of Quebec and that of the people of Ontario should be quite as interesting as the one we made last week.

The average revenue per k.w.h. in Quebec power plants in 1926 was .53 cents. The average revenue in Ontario was .75 cents per k.w.h. Public ownership advocates certainly will have a hard time explaining away those figures.

The reasons for the difference are not hard to find. They do not lie in any superior advantages as regards available supplies of cheap power for Ontario's million horsepower at Niagara is an advantage that can be duplicated at few places in this world. The reason lies in the greater efficiency and economy of private enterprise.

Ontario has an investment of $246 for each horsepower of primary power it develops. Quebec has invested only $160 for each horsepower it develops. The initial saving in interest charges here revealed is further enlarged by similar savings in salaries, wages and other operating expenses.

And yet the privately-owned stations in Quebec pay $1,909,929 in taxes for the $288,833 paid by the publicly-owned stations in Ontario.

Of course, Ontario domestic consumers, in some centres—but not in all—get lower house-lighting rates than the people of Quebec. Industry foots the bill in Ontario. In Montreal and in Toronto in 1926, house lighting rates compared as follows:

Monthly Bill

	Montreal	Toronto
15 k.w.h.	$ .67	$ .75
20 k.w.h.	.85	.75
40 k.w.h.	1.55	1.15
60 k.w.h.	2.25	1.40
180 k.w.h.	6.45	2.70

It must not be overlooked though, that domestic rates are steadily declining in Montreal and other Quebec province communities, while in Toronto, the publicly-owned power enterprise is now planning an increase that will add from 15 to 75 per cent. to house-current bills. In announcing the increase, the Toronto Hydro-Electric Commissioners state frankly that current has been sold at less than cost to this class of customer.

Ontario people are learning that it does not even help their pocket-books when they develop "power at cost" by a thinly-disguised system of Socialism.

A BRIGHT PICTURE

HERE is a prophecy about Canada which must interest all Canadians. It appears in a book recently published on this continent by Little, Brown and Company of Boston. The principal author is Lieut.-Col. P. T. Etherton, late H. M. consul general in Chinese Turkestan and additional assistant judge of H. M. Supreme Court for China. Associated with Col. Etherton in the preparation of the book is H. Hessell Tiltman. The volume is entitled "The Pacific—A Forecast," and the general purpose of the book is to explain the situation in the Far East, with special reference to the interests of the British Empire in the commercial and perhaps military struggle which is believed to be impending on the new world frontier where east meets west in the Pacific.

The portion of Col. Etherton's forecast which relates specifically to Canada reads as follows:

"Canada, with New Zealand, is destined to play a much larger part in supplying the seamen of the Pacific. Her irregular coastline, with its inlets and islands, is adapted to their evolution, just as are her whalers and merchant vessels. Canada will never become a bone of contention in the Pacific. The climate, except for the province of British Columbia, is not suited to the settlement of Asiatics. Canadian industries are developing on individual lines, and markets lie eastward in Europe rather than westward in Asia. The part which creation and history combined have fitted Canada to play, and the one most in accord with the desire of Canadians, is that of a British outpost and factory from which, in an emergency, we may derive men, ships and munitions. Canada is the final link in an Imperial chain, unique in the modern world, which, beginning at the Suez Canal and Aden, stretches across the Pacific via Ceylon, Singapore, British Guinea and Hong Kong to Vancouver.

"When the swing of history to the Pacific becomes more evident, Canada will turn closer attention to the West and the new world centre. As the journey across the Atlantic and Canada is easier and quicker than via the East the port of Vancouver will achieve a new significance as a terminal point in the Far East. Canada will not be called upon to defend her stewardship of that portion of North America, for she has settled that question by opening her doors to emigrants from every nation likely to supply suitable settlers. She has done this without in any way weakening the link binding her to the motherland—a fact that Australia presumably recognizes.

"Vancouver, which recently celebrated the 40th anniversary of the arrival of the first trans-Canadian passenger train, is destined to play a large and increasing part in the development of the Pacific. Indeed, she is already doing so. Where 40 years ago stood a sawmill clearing, it is now the fourth city of Canada, with a population of 300,000.

"It would not be too much to say that this city must inevitably play an important role in consolidating British interests in that region during the coming years, when its part as the rival to San Francisco will become more pronounced, and the trading facilities of even greater value to the British Empire than they are to-day."

POST-scripts

"THAR she blows, mate; forty points abaft the starboard bow!" Such is the exclamation we might expect to hear from the smoke inspection headquarters at Rochester.

All day long two men look out upon a vast sea of industrial stacks, 1,800 in number. And as some stack begins to spout forth clouds of black smoke, the inspectors train upon it their trusty Bausch and Lomb telescope, much as the whaler of old prepared his harpoon for the wily Moby Dick.

Fitted to this telescope, which is mounted upon a substantial tripod, is a Ringelman smoke chart, or screen. This screen enables the inspectors to ascertain whether the spouting smoke is denser than that permitted under Rochester's smoke ordinance. If it is, the duration of the smoking period is timed and if it exceeds a period of five minutes once in four consecutive hours, the offending industry is notified by letter of the fact.

These letters must be recognized with a five-day period; the operators of the offending plant are required to take immediate steps to enable them to comply with the smoke ordinance of Rochester, and the Smoke Inspection Department must be made cognizant of the measures taken and the time such measures were adopted.

THE benefits of insomnia as a stimulus to the imagination is recommended as the subject of a thesis for some psychoanalyst. Recently the writer of this paragraph spent a number of sleepless nights. Since they were not caused by worrying over any matter of pressing moment, his mind was clear to think and it did think, furiously. In the process it recalled many excellent ideas that had relapsed into inocuous desuetude and which will now be revived; it found a clear solution for several pesky little problems that had been giving some worrying; in short, insomnia produced more good resolutions and plans than a New Year's day. And very few of them were forgotten before morning.

There is a business man in Toronto who always keeps a memo book and pencil beside his bed. His best business ideas have come to him in bed, he says, and the handy memorandum equipment prevents them from escaping when sleep comes.

OCEANS of verbs and adjectives have been written around Greenely Island, where Bremen flyers landed after crossing the Atlantic. Practically, overnight this bleak and lonely piece of land in the north Atlantic sprang from obscurity to world wide fame.

Living today in Chatham, N.B., is a man more qualified than any other individual in the world, except the keeper of the lighthouse on the island, to discuss the now famous Greenely.

He is R. D. Walsh, of W. & R. Walsh, a firm that owns and operates an old established woodworking factory at Chatham. Mr. Walsh has been identified with lumber from boyhood.

According to Canadian lumbermen it took six years to build the lighthouse.

Mr. Walsh says the published descriptions of the noted island are not correct. He states Greenely is only a mile long and a half mile wide. The land at the lighthouse is level, and that the whole island is comparatively level, although there is one fairly high hill.

Despite the passing of the years since he was on the island, Mr. Walsh can recall the topography of Greenely, quite closely. The description of the island as published in some of the newspapers have differed totally from his memory of the layout of the island. Some of the reports have had Greenely as from five to seven miles long and several miles in width.

Whether the correct spelling is "Greenely" or "Greenly" has been one of the debatable questions, each form of spelling having its devotees. Mr. Walsh is reported as expressing no opinion on this score but it is understood, the favored spelling when he went to build the lighthouse was "Greenly."

As Others See Us

Opposes Lobbyists

For once, our good friend the Halifax Herald disagrees with us. It finds not to its liking our defence of lobbying, and says:

"If The Post means that the employment of professional lobbyists is desirable, we cannot agree. Parliament, we believe, would be better off without its persistent 'lobbies.' It has its committees before which persons may appear in support of or in opposition to any and all proposals. It is not the duty of Parliament to 'jam through' measures without hearing both sides—if both sides can be heard. Lobbying is exactly what the term implies; it is carried out in the lobbies, when there are other and better means for offering support or opposition to matters upon which members of Parliament must decide.

"We are not suggesting corruption: we are merely saying that lobbying is not a desirable practice, despite the fact that it is carried on wherever there is a parliament or a legislature. If it could be kept within bounds, well and good; but the very modus operandi of lobbying places a premium on its undesirable possibilities."

Up to Newfoundland

St. John's, Nfld., Telegram: Under this heading there is an interesting editorial in The Financial Post of Toronto dealing with the comments of the London "Statist" on the question of confederation. The Financial Post supports the arguments contained in my article a week or so ago. It says "It is doubtful if any large number of Newfoundlanders are anxious to join this country. It would be hard to convince them that there would be definite advantages to the Island Dominion in the move."

If Newfoundland could afford to reject union with Canada sixty years ago, it can still better do so to-day for, as I have pointed out before, we are as yet in the initial stages of development with as promising a future as any country has ever had to look forward to.

"Stop Me If You've Heard This One"

A customer stepped into a Los Angeles hardware store. "I want to get one of those thermometers like the Chamber of Commerce uses," he announced. "And what kind is that?" asked the clerk. "It's one that won't go above 80 in the summer or below 50 in winter."

Farm Body Changes Tariff Board Shelters "Special Privileges"

Industry is Favored in Tariff Hearings, is Surprising Statement Heard From United Farmers of Canada, Saskatchewan Branch

Staff Special

REGINA.—The United Farmers of Saskatchewan have made public some correspondence with the Hon. J. A. Robb, Minister of Finance, in which they not only ask for drastic reductions in various items of the tariff, but also make an attack upon the Tariff Advisory Board.

With respect to the Tariff Board a difference in viewpoint between the Saskatchewan body and the Canadian Council of Agriculture is thus brought to light, and this may be of importance in view of the expected entrance of the Saskatchewan organization into the Canadian Council of Agriculture, from which it has formerly held aloof. Negotiations have recently taken place between representatives of the Saskatchewan organization and the farmers associations of Manitoba, Alberta and Ontario, which would bring the Saskatchewan body into the reorganized Council of Agriculture. The Canadian Council of Agriculture, through A. E. Darby, has taken a leading part in presenting the low tariff viewpoint in hearings before the Tariff Advisory Board. The Saskatchewan body stands for the low tariff viewpoint just as firmly as do the associations which now make up the Council of Agriculture, but the stand they are now taking may preclude further representations by the Council of Agriculture before the Tariff Board if the Saskatchewan organization becomes a member of the Council.

Asks Blanket Reductions

After ignoring the Tariff Board from its inception up to last November, and after leaving to other organizations the burden of contesting applications for tariff increases remitted to the board for investigation by the Minister of Finance, the United Farmers of Canada, Saskatchewan section, last November filed a lengthy brief with the Minister of Finance, in which they asked for a reduction of duty on a long list of articles, and asked for investigation by the Tariff Advisory Board. Their brief listed forty-two tariff items on which they asked a reduction of duty, and in addition they asked that the British preference be increased to 50 per cent. of the general tariff and that it should be thereafter gradually increased to bring about free trade with Britain within five years.

Instead of remitting the application to the Tariff Advisory Board for investigation, as the United Farmers of Canada has expected, the minister replied to them, giving reasons why that could not be done. One was that the Tariff Advisory Board had recently conducted investigations into numerous items included in their list, and at the time in question had before them a number of applications bearing on the same subject. It was also made clear to them that such a blanket application as they filed was a matter of general tariff policy of the country and did not provide material for investigation by a fact finding body such as the Tariff Advisory Board.

Express Contempt for Board

As a result of the treatment of their application, the United Farmers of Saskatchewan have passed and made public a resolution including the following:

"As being of the opinion that the tariff advisory board, as it functions at present, cannot serve any useful purpose so far as western agriculture is concerned, and it does not secure the fundamental facts necessary to show agriculture's right to be relieved of the burdens imposed upon it by the tariff but appears to work on the assumption that manufacturers are entitled to special privileges and that agriculture can afford to bear the burden occasioned by these privileges. Neither of which assumptions, in the opinion of the board, has solid foundation either in fact, economics or justice, and the board of the United Farmers of Canada, Saskatchewan section limited, demands that the government of Canada make provision in the next budget for a large increase in the British preference, looking toward complete freedom of trade with Great Britain in five years, and substantial all-round reduction in the general and intermediate tariff on the instruments of production and necessaries of life as promised in the 1919 platform (Liberal) and asked for in our application to the government in January, 1928."

The initial statement of the above resolution is hardly borne out by the facts of the case, since the Canadian Council of Agriculture have taken frequent occasion to put before the Tariff Advisory Board "views and facts concerning the detrimental effect of the protective system upon the farming industry."

Presented Low Tariff View

Last year, in contesting the application of the woollen manufacturers for increase of import duty on woollens, A. E. Darby, on behalf of the Canadian Council of Agriculture, made a very lengthy exposition of the low tariff viewpoint on behalf of agriculture as an industry, and the same thing has occurred with numerous other applications. At the present time the Council of Agriculture have before the Tariff Advisory Board the application for reduction in duty on cement.

Two conflicting opinions with respect to the usefulness of the Tariff Advisory Board are thus brought to light. One view is that the Tariff Advisory Board has presented a number of low tariff advocates to oppose higher tariffs by compelling the industries receiving the benefits of such tariffs to make public, in connection with various applications, the facts of their respective businesses. Not long ago the Manitoba Free Press contained an article by A. E. Darby, of the council which contained these words:

"No fair-minded student of the tariff and the changes recently made in it will deny that the Advisory Board on the Tariff and Taxation has done a great deal of valuable work. It has put on record a great many facts and considerations related to protection as an actual working institution which could not have been made available without it. It has brought the industrial interests who have sought tariff changes face to face with other interests, industrial and otherwise, who are vitally concerned in the effects of such changes, if made. It has taken demands for increased or decreased protection out of the "political" atmosphere into that of economics and commerce."

Claim "Special Privileges" Protected

The Saskatchewan organization, in the words of its resolution, has taken an opposite view, that the board "appears to work on the assumption that manufacturers are entitled to special privileges." In addition, the last convention of the United Farmers of Saskatchewan passed a resolution which contained the following:

"Whereas in the appointment of any policy adopted by the Tariff Advisory Board there is an assumption by the Government, the Board and the manufacturers that if it can be shown that any particular manufacturer has higher production costs than his competitors in other countries that this is sufficient justification for granting to the manufacturers the privilege of charging to agriculture and other classes through protection afforded a sufficiently higher price to completely offset the difference in production costs, often brought about by inefficient methods."

Those who have had occasion to follow closely the work of the Tariff Advisory Board since its appointment can find little in the proceedings to justify the statement that either the board or the government have proceeded on any such assumption as the above. The manufacturers seeking tariff increases would probably be very glad to believe that such an assumption could be relied on.

Pick and Shovel Work Was William Hurst's Start, Now Winnipeg Contractor

By G. C. PORTER

WILLIAM HURST

WINNIPEG.—One of the big factors in the western business world is William Hurst. Thirty years ago he was digging drains on Fort Street with a gang of day laborers. His pay was $1.15 per day of twelve hours. He had never enjoyed the advantages of an education; had never stood up in a school room in his life.

To-day on a big Winnipeg lot stands the modern building of the Hurst Engineering and Construction Co., Ltd. William Hurst is the president, chief owner and directing genius of a business that extends half way across a continent, employing many craftsmen and much highly skilled labor. Whole trains of material for the Hurst enterprises frequently come into Winnipeg from eastern Canada.

He has mapped out and is promoting a railway to Hudson Bay that will connect Gypsumville with Fort Churchill and cut off 250 miles between Winnipeg and the great inland sea, in comparison with the present route. He has factories turning out a number of mechanical ventures, his own inventions. Some of these are the result of his ripe experience in handling a pick and shovel thirty years ago. For instance, he knows what it costs in dollars and muscle to excavate frozen earth, and in this climate jobs to be done expeditiously and economically can't wait until earth thaws. So Hurst put his alert brain on the subject of a machine for ripping up frozen earth. It was successful. Then he had trouble with his autos in winter—his big trucks sometimes were put out of business by the low temperatures, so he invented an auto-heater and what he thought was a better fire escape for the buildings he constructed.

William Hurst, the head of these enterprises came West in 1890, a penniless boy of thirteen from Ottawa, his home town. He did a man's work on a farm in the Portage district for years, but his restless spirit was curbed. He wanted to expand, so he came into Winnipeg with nothing but strong muscles and an insatiable ambition.

He does not talk much. But if there is one subject that will loosen him up it is the idea that young men must go to the States or elsewhere than in Canada for a career. He has a passion for Canada and for the nobility of hard work. Now, at fifty, he works harder than ever and he boasts that he knows personally every master workman and every apprentice on his payroll and he delights to have them call him "Bill." It makes him snort when someone calls him "boss."

"I started with nothing, not even an education," explained William Hurst when the writer caught him in a communicative mood. "But I believed then as now that success is the result of persistent effort—not luck. When I hear of young Canadians going to the United States in search of success, I feel like rushing to the station and stopping them. Far fields may look greener, but the slogan, 'Canada, the land of opportunity,' was never truer than it is to-day.

Fifteen Cents a Day Extra

"There is no country in the world where the young man or woman has greater scope for ambition. Canada is crying out for men and women of energy, courage and vision, who will press on from where the pioneers left off, for, remember, in spite of our fine cities in the West and our increasing manufacturing industry, we are still in the pioneer stage as a nation.

"When I got a pick and shovel job on Fort Street there were but two men of English stock on the work besides myself. They were the bosses. I wanted to be in that boss class. I got fifteen cents a day extra for coming back to the job at night and lighting the oil lamps to prevent accidents.

"Then I went to night school for I knew I had to get an education to succeed. I was working for others through fifteen years before I felt able to establish my own company. It was 1911 before I got started in a small way for myself.

"If there is one thought that occurs to me as the basis of success it is to keep the body strong with plenty of exercise and the brain clear with mental action. One is scarcely possible or profitable without the other. Work is the most enobling thing in life, hard, intelligent work."

Profit is Better Target Than Volume of Sales

Budgetary Control Provides Way of Eliminating Unprofitable Lines from Operation of Business

By NOEL M. BASSIN, B.Sc. (Edin.), A.M.I.C.E., Director Industrial Engineering Corporation

NOEL M. BASSIN

It is unwise to place reliance on average profit figures. By proper analysis of manufacturing and distribution costs, the percentage of profit on sales may be computed for each one of the main groups or further subdivisions into which the products of a manufacturing company may be classified. By doing this, attention would be directed more particularly to the unprofitable lines and the necessary remedy could then be applied, before serious inroads had been made into the profits of the business as a whole.

Assuming then that the state of a business has been examined in this way, it naturally follows that some steps should be taken in an endeavor to remedy the situation with regard to unprofitable lines. The object of a business is primarily to make profits, not sales. Starting, therefore, from the viewpoint of profits, we shall assume that if possible a minimum profit on sales is desired in each of the three classifications previously taken and that these profit percentages are: 17½ per cent. on group A, 14 per cent. on group B, and 10 per cent. on group C. With total sales as before and as shown in the subjoined table, the amounts available to cover manufacturing and distribution, after deducting the desired profits, are as indicated. Corresponding actual or predetermined costs are also tabulated.

Group	Sales	Available after deduct. Profit	Cost of Mfg. & Distribution
A	$120,000	$ 99,000	$104,000
B	50,000	43,000	44,000
C	30,000	27,000	32,000
Total	$200,000	$169,000	$180,000

Total costs are seen to be $11,000, or about 6½ per cent., in excess of the total amount available and the problem is then to take such action as is possible to reduce either the cost of manufacture or the cost of distribution, or both, to within the prescribed limits.

Extensive economies in manufac-

(Continued on page 12)

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Assets $303 for every $100 Preference Share. In last fiscal year preferred dividends were earned over six times. Dividends payable January 1st and July 1st. Callable at 105 on 60 days' notice.

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Price: 100 per share and accrued dividends, Yielding 6%.

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67 Yonge St. - Toronto

Background of Business

Weekly Review of Canadian Conditions

CONDUCTED BY JOHN E. LANGDON

No Reaction Anticipated During Next Few Months
Merchandise Distribution Continues Along Good Lines
Crop News Lends Added Confidence to Business
Dollar Volume of Trade Sets High Mark for May
June Construction Awards Well Ahead of Last Year

FUNDAMENTAL indices of business at present are favorable and no reaction is anticipated for the balance of the summer months; in fact, the trend should be upward. It will be remembered that at this time last year business was in a somewhat similar position. The slight depression which took place in the last half of the year was not unexpected, though the decline in certain industries was greater than was generally expected.

The recession was largely a reflection of American business uncertainty. At the time there was nothing in the Canadian situation to warrant an adverse trend. There are a number of industries in this country, however, that react quickly to any unfavorable developments in the United States. The automobile industry is one of these. Between July and December last the output of motor cars in Canada fell off sharply, production being below the average of the previous two years. Since the beginning of the current year, the situation has undergone a remarkable change and the automobile industry, as well as allied lines, has of late been operating on a scale of record proportions.

Manufacturing Maintained

While manufacturing has been maintained at a level exceeding either that of 1927 or 1926, there does not appear to be signs of over-production. There is a heavy movement of all kinds of building materials and supplies, while sales of automobiles and accessories are almost of record calibre. At the same time merchandise distributors are handling a larger volume of business and manufacturing, as a whole, is more active than it has been for some months past.

So far retail distributors are confining their orders to immediate needs. This policy has been adhered to for some time. Needless to say, it confirms the general belief that wholesalers and retailers are not stocking up with seasonal goods. If the distributors were accumulating large inventories, there would be cause to worry over the heavy output of manufacturers. But when it is realized that the output is moving directly into consumers' hands, a greater confidence is created in the present business situation.

Lately there has been a growing interest by merchants in practically every section of the country over fall and winter requirements. This interest is undoubtedly growing out of the optimism over crop prospects. For the past two years, we have had good-paying crops and another one this year would create an unprecedented buying power in rural communities and would not be without effect on urban buying. The majority of farmers, especially those in the West, are clear of debt and it was noticeable last spring, that buying by farmers was not only on a cash basis, but purchases were in the nature of additional equipment, such as tractors, plows, threshing machines, etc.

Added Purchasing Power

For a long time Western farmers have gone without needed equipment, but now that they are free of debt and with excellent prospects of substantial monetary returns this year, it is reasonable to expect that those industries catering to the farmers' needs, will experience a record volume o' business in 1929.

As for the crop itself. So far there has been an unanimity of opinion. All are firm in the belief that prospects this year are the best ever. The acreage under crop is greater; moisture is abundant; and damage from worms, insects and hail has been negligible. The growing grain has a very healthy appearance and the odds are favorable for a record yield.

While crop conditions in the eastern provinces are not so favorable, there is no need for apprehension. Taken as a whole, the crops are probably up to the average of the past ten years. Pastures, both in Ontario and Quebec, are excellent and that is an important factor in these two dairying provinces. Reports from the Maritimes are favorable.

Bank Debits Higher

The dollar volume of trade, as shown by bank debits, created a new high mark for the month of May. Allowance being made for seasonal tendencies, the May total was $4,231 millions. The only month in which this amount was exceeded was in December, 1927, when the total was $4,274 millions, but bank debits are normally much higher in December than in May. The increase over May last year was nearly 42 per cent., and, after seasonal adjustment, an advance of 16 per cent. was shown over last April.

Returns for the five economic areas show that debits in the Maritime provinces were up 3 per cent. over last year's corresponding figure. Those for Quebec show a gain of 57 per cent. Ontario reports an increase of 31 per cent., while the Prairies, as a whole, report a gain of 48 per cent. The debits in British Columbia did not show as large an increase as in the other areas, only amounting to 13 per cent.

For the first five months of the current year, bank debits were 31 per cent. greater than in the same period last year. Each of the economic areas showed important gains in this comparison. The greatest proportional increase of 39.5 per cent. was attained in Quebec. The gain in the Prairie Provinces was nearly 32 per cent., while increases of about 25 per cent. were shown in Ontario and the Maritime Provinces. The gain in British Columbia was 29.4 per cent.

Record Construction Year

Another good sign of current business is to be seen in new construction contracts. The awards, during June reached the second highest total ever recorded for any month, totalling $59,926,100. This exceeds that for the same month of 1927 by 14.7 per cent. and the total for the year to-date—$256,257,300—is greater than that for the corresponding period of last year by 33.9 per cent.

All the provinces report important gains. For the first half of this year, according to MacLean Building Reports, Ontario showed construction contracts awarded to the value of $98,654,900, or 38.5 per cent. of the total; Quebec, $79,655,900, or 31.1 per cent.; Prairie Provinces, $33,219,900; or 12.9 per cent.; Maritime Provinces, $25,010,800, or 9.8 per cent.; and British Columbia, $19,715,800, or 7.7 per cent.

Freight Movement Large

The movement of revenue freight over Canadian railways, continues to establish new records. Returns for the past eleven weeks have been higher than for the corresponding weeks of 1927. To-date only four decreases have been recorded. For the week ended June 23, loadings totalled 67,803 cars, as compared with 64,339 cars in the corresponding period last year.

For the first twenty-five weeks this year, revenue freight loadings have amounted to 1,596,294 cars. This compares with 1,517,582 and 1,428,708 cars in the corresponding periods of 1927 and 1926, respectively. As compared with last year, only three divisions show a decrease this year, namely, coal, lumber and pulpwood. Grain and grain products, live stock, coke, pulp and paper, other forest products, ore, merchandise and miscellaneous loadings, all record satisfactory increases.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Latest This Year	Latest Last Year	Cumulative for Year This Year	Cumulative for Year Last Year
Weekly				
Car Loadings (June 23)	67,803	64,339	1,596,294	1,517,582
Stock Index	386.1	177.3	......	......
(Traders—June 28)				
C.P.R. Gross Earnings (June 21)	$ 3,819,000	$ 3,248,000	$ 89,764,000	$ 81,258,000
C.N.R. Gross Earnings (June 21)	$ 5,139,538	$ 4,891,905	$ 116,056,320	$ 108,095,704
Monthly				
Production				
Pig Iron, tons (May)	87,811	78,987	370,634	334,276
Steel, tons (May)	117,655	96,711	531,808	427,370
Newsprint, cwt., (May)	203,811	171,819	970,975	826,083
Automobiles (May)	33,942	25,708	96,589	107,600
Boots and shoes, pr. (Apr.)	1,538,032	1,450,672	6,176,583	5,892,265
Flour, bbls. (Mar.)	1,617,000	1,454,000	4,660,000	4,181,000
Construction—				
Building Permits (May)	$ 27,497,189	$ 20,138,657	$ 78,977,291	$ 62,479,480
Contracts (June)	59,926,100	52,228,600	256,257,300	191,323,800
Labor—				
Employment Index (June)	112.4	105.9	......	......
Trade (May)				
Imports	$ 113,582,238	$ 94,412,439	$ 478,040,707	$ 432,839,535
Exports	$ 118,021,324	$ 108,782,591	$ 455,100,878	$ 454,353,961
Imports of Key Products—(May)				
Rubber, lbs.	4,883,395	5,644,000	26,767,610	27,652,335
Cotton	6,909,980	10,129,000	57,701,817	54,822,207
Sugar, cwt.	1,055,698	....	3,551,477	....
Petroleum, gal.	16,919,840	49,049,108	229,977,555	....
Coal, tons	1,332,833	....	8,069,938	....
Exports of Key Products—(May)				
Newsprint, cwt.	3,885,959	2,998,475	17,826,906	....
Automobiles, No.	4,511	....	15,924	....
Wheat, bush.	30,281,712	28,698,115	90,870,195	89,267,495
Wheat flour, bbls.	886,220	804,468	4,171,222	3,770,970
Electric Power—Output—				
M. Kilowatt hours (Apr.)	1,262,661	1,109,721	5,188,269	4,451,791
Population—				
Emigration (Apr.)	5,205	6,225,	19,202	21,516
Immigration (Mar.)	14,665	20,271	22,669	29,956
Finance—				
Failures, No. (Apr.)	135	127	684	624
Failures, Liabilities (Apr.)	$ 2,269,682	$ 2,279,954	$ 9,652,669	$ 8,986,577
Bank Debits (May)	$4,230,509,600	$2,986,235,659	$17,245,088,401	$13,138,481,883
Bond Sales (May)	$ 104,664,900	$ 42,700,616	$ 220,673,746	$ 210,620,936
Insurance Sales (Apr.)	$ 46,718,000	$ 41,631,000	$ 179,072,000	$ 157,025,000
Wholesale Prices (1913-100)—				
General Index (May)	152.9	152.1	......	......
Iron	141.7	143.6	......	......
Cotton, raw	177.2	127.2	......	......
Grains	180.9	173.7	......	......
Cattle	148.3	133.9	......	......
Rubber	37.0	65.3	......	......

Agricultural Survey

Warmer Weather Needed
Prospects Are Excellent
Fruit Crop Looks Good
Cheese Exports Higher
Cattle Sales Increase

CONDITIONS to date have been exceptionally favorable and have further strengthened the general belief that another bumper crop is in store for 1928. There has been copious rainfall throughout eastern and western Canada, leaving sufficient moisture in the ground to carry the crops along until the latter part of July. Most of the provinces could do with warmer weather and more sunshine, though the cool, cloudy weather of the past week or two has been highly beneficial to the growing grain.

Prospects continue to be excellent in the West. Saskatchewan reports that the grains are making good headway, although there are places in the southern districts where the growth is uneven, due to poor germination as a result of the drought earlier in the season. Cut worm and wire worm damage has been slight and hail damage negligible.

Weather conditions in Alberta are ideal for rapid growth and practically all points report the grain to be stooling well, with the average height well over twelve inches. A few isolated areas report damage from hail and worms. This, however, is slight and will have little or no effect upon the aggregate yield.

Manitoba has sufficient moisture to last for two or three weeks. The crops have come along in good style and present indications point to a yield of wheat and coarse grains much higher than last year when a large percentage of the grain area was flooded out. So far very little flooding has been reported, especially in the Red River valley, which suffered so badly last year. All the prairie provinces, however, are in need of warmer weather in order to take full advantage of the heavy rainfalls.

Both Ontario and Quebec are still in need of warm weather. The last two or three weeks have been damp and cold and consequently germination has been retarded. Pastures are excellent this year. The crops, however, are promising and with favorable weather, should be good average crops. Corn looks good in Ontario, but while doing fairly well is in need of warmer weather.

Much the same conditions exist in the Maritime Provinces. Pasturage is particularly good, however, and a heavy crop of hay is expected. The potato acreage will exceed both last year's and the five year average. Prince Edward Island potatoes show a good growth, with 30,000 acres of certified seed as compared with 25,000 last year.

Reports received by the Dominion Fruit Commissioners indicate that prospects are better than average for the fruit crop. British Columbia apple growers estimate a yield in excess of last year. In spite of adverse weather conditions, Ontario is also expecting a heavier crop. Quebec, New Brunswick and Nova Scotia estimate increases, ranging from 10 per cent. in the case of Nova Scotia to 50 per cent. for that of Quebec. Last year's apple crop amounted to 2,810,600 barrels, valued at $10,411,035.

There has been an excellent showing of peach blossoms in British Columbia and Ontario. Also indications point to an increase in the cherry, plum, prune and apricot crops. Raspberries in British Columbia will about equal the crop in 1927, while winter killing in Ontario will reduce the crop by 30 to 50 per cent.

The dairy industry continues along fairly satisfactory lines. The movement of cheese from Montreal to the English markets this year has been exceptionally good. Records compiled by the Montreal Gazette show shipments from Montreal to English markets from May 1st to the week end of June 23rd, totalling 145,647 boxes. This compares with exports of 93,022 boxes in the corresponding period of last year. Shipments, however, are still below those for 1926.

Domestic demand for butter shows little change, export demand continuing light.

Domestic marketings of cattle are larger than last year. The report of the live stock commissioner for last month indicated a substantial increase in the number of cattle handled through the eight leading stock yards. The demand is excellent and fat cattle are fetching a good price.

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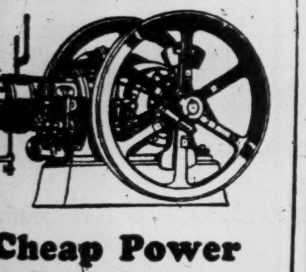

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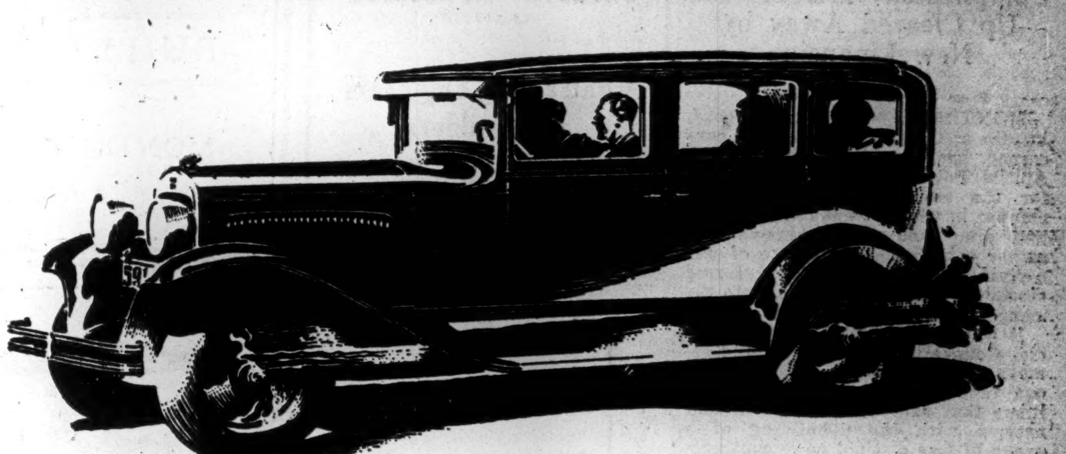

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Pulp & Paper

Newsprint Companies Follow Post's Lead; Negotiations on Foot

Independent Mills Now in Accord — Hope to Stabilize Output

From Our Own Correspondent

MONTREAL.—Constructive forces are now at work within the newsprint industry. Virtually all the independent mills have signified their willingness to work along lines leading towards price stabilization, provided the steps which may be taken are constructive and fair to all the interests involved.

Up to the present, there have been jealousies and feuds which have prevented the various companies coming together and taking steps to prevent Canada giving away her timebr in the form of newsprint—the timber resources are the greatest natural heritage of the Dominion. But now the companies and various groups within in the industry are working towards a real rapport.

Post Given Great Credit

Many newsprint executives give great credit to The Financial Post for the sound leadership given the industry during the crisis of the past few weeks when The Post, editorially, steadily asked the newsprint companies to come together and take steps leading to an elimination of the too keen competition which has prevailed between the producers. One step suggested by The Post was the appointment of a dictator to regulate production, and to adjust differences between the companies.

Whether or not the industry will choose a dictator remains to be seen, but in the meantime, due to the efforts now on foot, none of the mills are setting lower prices and all are hoping for the success of the negotiations now on foot.

Troubles of the Past

Up to the present the independent mills have operated to an extent which took no thought of the good of the industry as a whole. Also, the larger producers did not give much thought to the best needs of the independents. In any event, jealousies and misunderstandings became the rule in the industry.

But the independents are now in accord for the first time. What has yet to be done is to set up suitable machinery which will allow the producers to operate harmoniously and at the same time limit production to an extent which will allow the maintenance of prices at their present level.

Might be a Dictator

Whether such machinery will take the form of a dictator chosen by the industry has not yet been decided, as the negotiations are as yet only in their initial stages. But the fact that such negotiations are even underway is perhaps a rainbow encircling the newsprint storm clouds. As yet, it is impossible to venture a forecast as to how successful will be the pourparlers first suggested by The Financial Post.

From an investment angle the situation appears to be a little clearer, for it is felt that there will be little more price cutting in the industry. The immediate market, of course, of the newsprint stocks depends very largely on the outcome of the present negotiations.

ABITIBI POWER CO. EFFECTS SIMPLER CAPITAL LAY OUT

Complicated Merger Set Up Cleared Away by New Financing

From Our Own Correspondent

MONTREAL. — A unique record, insofar as Canadian financing is concerned, has been established by the Abitibi Power and Paper Company for the rapid and comprehensive manner in which it has cleared away and simplified the extensive and rather complicated structure of underlying bonds, notes, preferred stock, etc., that was brought into the merger of a few months ago.

It was no small task, says Financial Counsel, to arrange for the removal from the sheet of the numerous funded debt and capital stock items that had been created in connection with the upbuilding of a group of five distinct newsprint producers, Spanish River P. & P. Mills, Manitoba Paper Company, Fort William Power Company, Ste. Anne Paper Company and Murray Bay Paper Company, as well as to take care of four separate bond issues of Abitibi itself, and another of a subsidiary, Abitibi Fibre Company. And yet, in the new Balance Sheet that gives effect to the offering of $50,000,000 of Abitibi "First Mortgage Gold Bonds, Series "A," 5 per cent. due 1953," the sole reference to "funded debt" through the whole organization is the current issue, with the single exception of an amount of $475,140 of deferred purchase money obligations," that automatically will be wiped out as payments become due.

Involved Nearly $50,000,000

This task of "cleaning up" the funded debt structure involved look- $475,140 of "deferred purchase money ing after an amount of $49,846,615 in bonds, of which $12,251,700 represented Abitibi's own direct obliga- [illegible]rs, and $37,594,915 the totals of the subsidiary companies. This was the situation in April last when the offering of $16,000,000 of 6 per cent. preferred stock was made by Abitibi.

The "clean-up," as it may be termed, covers four issues of Abitibi first serial 6's, and 6 per cent. serial mortgage bonds of a combined total of $5,457,500 (as of December 31, 1927); consolidated mortgage 8 per cent. bonds maturing March 15, 1931, for $2,794,200, and the 6 per cent. gold coupon notes for $4,000,000, due 1931, the last mentioned of which were issued in connection with the purchase of Abitibi Fibre Company (the former Mattagami Power & Paper Co.).

Of the Spanish River issues to be retired, the most interesting is naturally the group of three 6 per cent. bond issues—Lake Superior, Ontario P. & P. Co., and Spanish River—which according to the last financial statement amounted in all to $6,465,140. In the case of all these a bonus has been in force amounting to 10 per cent. of all the dividend payments by Spanish River.

The total financing by Abitibi in April, May and June, has consisted of one issue of $16,000,000 of 6 per cent. preferred stock; a second (in May) of $10,000,000, a total of $26,000,000 of preferred, and the present issue of $50,000,00, a grand total of $76,000,000.

Dryden Paper Reports May Kraft Output Sets Record

From Our Own Correspondent

MONTREAL.—Production of kraft paper by the Dryden Paper Company during May was the highest ever recorded by the company. In that month the company had begun to increase its output with the idea of laying aside a stock that would be available as soon as operations began for the making of the paper into bags by the Bates Valve Bag Company. This work is expected to begin shortly and this new source will require a good many thousand tons of paper additional to be produced.

The western markets are reported to be the best in the company's history, in its demand for the kraft that Dryden produces, with a fair demand also for sulphate pulp, of which a surplus is produced beyond what is required for the paper mill.

New Paper Company Formed in Vancouver

From Our Own Correspondent

MONTREAL. — A first mortgage 6½ per cent. gold bond issue amounting to $1,250,000 marks the official announcement of the formation of Vancouver Kraft Company, incorporated under the laws of British Columbia and formed to acquire, operate and develop properties of the Howe Sound Pulp and Paper Company at Port Mellon, B. C., and the Vancouver Kraft Mills, Ltd.

The new company plans to increase the capacity of the mill, the total production of which will be sold to the Columbia River Paper Mills and the Bates Valve Bag Corporation.

Active control and management of the company will be in the hands of F. W. Leadbetter, one of the best known paper manufacturers on the Pacific Coast.

New Howard Smith Common Traded in on Montreal Curb

From Our Own Correspondent

MONTREAL.—Howard Smith Paper Mills, Limited, new common stock has made its appearance on the unlisted department of the Montreal Curb Market. This stock, of which there are 200,000 shares outstanding, was offered in part as a bonus with the $4,500,000 preferred stock issue. Fractional common shares were adjusted at $30 a share.

INTERNATIONAL'S PLAN IMPROVES SENIOR SHARES

Valuable Conversion Rights Attached to New 7% Preferred

EXCHANGE OF STOCK

Common Get Three for One — Company Expands Its Power Holdings

From Our Own Correspondent

MONTREAL.—The formation of a new holding company by International Paper provides many interesting investment features for the consideration of the share holders. Not the least of these is the conversion privilege attached to the new 7 per cent. preferred stock.

Holders of the 7 per cent. preferred of the present company have no such privilege attached to their holdings. Hence the formation of the holding company and the exchange of the stock seems to offer advantages to the 7 per cent. preferred shareholders.

The 6 and 7 per cent. preferred shareholders of International Paper exchange their shares par for par in the new company. The 6 per cent. preferred shareholders do not participate in the conversion privilege attached to the 7 per cent. preferred. The common shareholders, International Paper, exchange each of their shares for one A share, one B share and one C share of the new International Paper and Power Company.

The conversion plan attached to the new preferred is such that the preferred shareholders who first elect to make the exchange benefit most. For instance, the first $10,000,000 of preferred to be converted into the new common shares will be changed in the ratio of two common for one preferred. For the fifth $10,000,000 of preferred to be converted, the preferred shareholders will obtain one and two-thirds common for each preferred.

The authorized capitalization of the International Paper and Power Company will be as follows:

1,000,000 shares 7% preferred ($100 par)
20,000 shares 6% preferred ($100 par)
5,000,000 shares A common (N.P.V.)
3,000,000 shares B common (N.P.V.)
3,000,000 shares C common (N.P.V.)

The rights of the various classes of common stock are interesting. If, for instance, the present rate of dividend of $2.40 a year is continued unchanged on the class A common stock, it will take five years for the aggregate preference of $12 on the class A common stock to be exhausted, and at the end of that time the class A common stock and the class B common stock will be one class. If on this combined class the same dividend rate is continued unchanged for a further period of five years, at the end of that time the $12 aggregate preference of the combined class will be exhausted and all classes will rank alike for dividends, and the division of the common stock into classes will have disappeared.

Reasons For Division

In mentioning the three classes of stock, a circular issued by the company to the shareholders says:

"This somewhat unusual provision for temporary division of the common stock into three classes is designed to meet the particular requirements of the situation. International Paper Co. not only has at the present time a substantial investment in assets which as yet are not showing a return but it also may find it important to increase this investment in such assets or in assets which, for the time being, earn less than their full carrying charges. In order to finance acquisitions of this type (as well as to represent existing assets of this type), it seems desirable that the new company should have classes of stock designed to forego a dividend return for a limited period (that is in respect to a limited number of dollars), but retaining their full share in the equity of the new company and in its future prospects. The simultaneous existence of another class of common stock on which dividends may be currently paid is considered desirable, not only for use in acquisition of earning assets but also to provide a common stock into which the senior issues of the new company may be made convertible. It is contemplated that if and when conditions of the security market favor the change, the present direct funded indebtedness of International Paper Company may be retired by a new issue of debentures of the new company convertible into its class A common stock. Moreover, the new company may at any time, or from time to time, upon vote of its board of directors either before or after the issue of any of its senior securities make them convertible into junior securities upon such terms at the Board from time to time may fix.

"In proposing the division of the common stock into three classes, your Board is not unmindful of the fact that the maintenance on the new stock issued for the present common stock of the present dividend rate over a period of ten years would require in the middle of that period a doubling of the present disbursement and at the end of that period a trebling of the present disbursement. The Board, however, feels that the extent of the company's assets which at the present time are earning no return or a limited return is sufficiently great and the prospects for additional earnings especially from power contracts already signed are sufficiently definite to justify the assumption of new earnings from these sources, and, accordingly, to justify the division of the stock into classes on the basis proposed.

"This statement must not be taken, however, as a prophecy of any specific amount of earnings or any representation that the present dividend will necessarily be maintained, because the amount of earnings to which the new earnings referred to will be added is necessarily a fluctuating sum, dependent largely upon changes in the markets for the International Paper Company's various products, particularly newsprint. In fact, the prices of both newsprint and kraft paper have just declined, which will inevitably have its effect upon earnings; and further declines are not impossible.

"It is hoped that the successful consummation of the plan will be followed by the acquisition by the new company of the large block of New England Power Association shares now held by the New England Hydro-Electric Company. These shares together with those held by International Paper Company aggregate approximately 91 per cent. of the issued and contracted to be issued common shares of New England Power Association. It is also thought that the reorganization will facilitate the segregation under the same common ownership of the company's power assets from its pulp and paper assets."

Kraft Prices Also Slump in Generally Weak Mark[et]

From Our Own Correspondent

MONTREAL. — Kraft has also joined in the general weakness existing in the markets for pulp and paper. Up to the present, the market for kraft has been the one strong spot in the generally weak market which has prevailed for all pulp and paper products for the last year and a half.

It is understood that the International Paper Company cut the price of kraft from its southern mills by $3 a ton. This reduction was immediately countered by the Brown Corporation by a reduction of $10 a ton. The Brown Corporation is the lar[gest] producer of kraft in the States.

Just how these price reductions [will] affect the Canadian producers [of] kraft paper and sulphate pulp [re]mains to be seen. Domestic p[aper] prices are not necessarily dict[ated] by prices in the United States, [al]though they are apt to move up [or] down in sympathy with price tr[ends] there. Also, Canadian kraft p[ro]duced by companies such as Wa[ya]gamack and Dryden is of a super[ior] quality to that produced in the Sou[th]ern States from the faster grow[ing] trees located in that area.

It can be said though that the pr[ice] reductions in the United States w[ill] have an unfavorable effect on [the] Canadian kraft producers.

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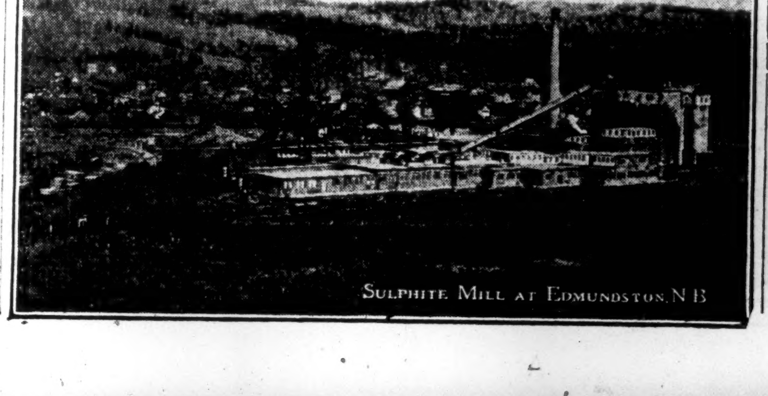

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Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance inquiries on sheets separate from other investment inquiries.

Sterling Trust

Please give me your opinion of Sterling Trusts Corporation.

Sterling Trust Corporation is one of the smaller trust companies operating in Toronto. It has made excellent progress for the last several years. The stock appears to be reasonably priced at the present market, and we would say that it is a fairly good investment in the trust and loan class.

A moderate appreciation in value may reasonably be expected over a term of years.

Debenture Co.

Can you give me your opinion of the Debentures Co. of Canada stock?

Debenture Company of Canada has paid 10 per cent. per annum during the past eleven years and during this time have built up reserves. It deals chiefly with tax sale certificates and has shown a steady income practically from the day of its inception.

Assets appear to be adequate; and there seems no reason to doubt that substantial profits will continue. The stock would be good for a long hold.

Steel of Canada

What do you think of Steel Company of Canada as a buy for a long hold? It appears to be doing exceptionally well, but prices have fluctuated rapidly in the past few weeks.

There has been considerable talk about Steel Company of Canada during the past few months, such as a split in the common stock, and the absorption of other companies in the same line of activity. Nothing definite has been done as yet, but these are possibilities to consider. The company's record of earnings is exceptionally good. At its current price we consider it a good purchase for investment purposes.

Grand Trunk Debentures

I have some G. T. R., 4 per cent. perpetual, consolidated debentures. Are these guaranteed by the government, and is there any chance of trouble for the holders such as occurred in some of the other Grand Trunk issues?

The Grand Trunk Railway 4 per cent. perpetual, consolidated debentures are unconditionally guaranteed by the government. There is no possibility of any trouble such as has occurred with other Grand Trunk issues. As the issue is a perpetual debenture, obviously it is not guaranteed as to principal. But it is guaranteed as to interest. We believe that the debentures are not callable.

Power Corp.

I would like to locate some common stock, one not necessarily paying dividends; and having a speculative tinge to it, with possibility of fair appreciation in six months or a year. It does not necessarily need to be too dear (or cheap) but within reach of an ordinary business man.

Power Corporation appeals to us as a common stock which shows some promise of appreciation over a term of months. The stock of Pure Gold Manufacturing Company gives a satisfactory yield at present prices and possibly there would be some enhancement of market value over a term of months, although this stock normally sells somewhat out of line with the rest of the market, because it is stock in one of the smaller enterprises in which there is no great public holding.

J. S. Mitchell Preferred

What is your opinion of the following stocks for investment purposes?
7 per cent. cumulative preferred shares, convertible into 2 common, in
Tip Top Tailors Limited;
J. S. Mitchell Preferred;
Robt. Mitchell Preferred;
Riverside Silk Mills, class A shares;
Asbestos Co. Preferred.

J. S. Mitchell preferred is probably the most conservative of the five stocks you mention. The Asbestos preferred we believe will do very well as the industry apparently is on a much better basis now than it has been for some years.

The Tip Top Tailors and Robt. Mitchell preferred are among the interesting newer issues, and the Class A shares of Riverside Silk Mills were placed on the market under more than ordinarily favorable auspices.

Utility Stocks

What are the possibilities of appreciation in Shawinigan, Montreal Power and Bell Telephone? Should one buy them in the present market?

The common stock of both Shawinigan Power and Montreal Consolidated Light, Heat and Power Company are high-grade investments. These companies have shown a steady and marked growth over a period of years and their position in the Quebec power and utility field is one of undoubted strength. Over a period of years we think that these stocks will show a substantial appreciation in value.

Bell Telephone common stock is another which can be included in the investment class. The company has shown a steady growth and its stock might be well included in your lists.

Can. Industrial Alcohol

I would appreciate having your opinion on the following stocks: Canadian Industrial Alcohol, Hiram Walker, Tip Top Tailors, and the bonds of the London-Canadian Investment Corporation and the Investment Bond and Share Corporation.

Canadian Industrial Alcohol is steadily improving its position and is rated among the leaders in its field. While there is an alcohol price war on at present, we do not think that the earnings of this company will be appreciably affected, because a large percentage of its profits is derived from export trade, rather than from the sale of industrial alcohol in the domestic market. Hiram Walker common is a good speculation, while the preferred stock of Tip Top Tailors is considered as a fair investment. The bonds of the London Canadian Investment Corporation are satisfactory as an investment, as also are those of the Investment Bond and Share Corporation.

Massey-Cement

I am considering buying Massey-Harris and Canada Cement. What do you think of the preferred stocks of these companies? Are the common stocks good for a long hold?

The Massey-Harris Company is experiencing an exceptionally good volume of business, not only in the domestic market but also through its subsidiaries in the United States, Germany, France and other countries. Its preferred stock is a satisfactory investment, while the common is a long hold proposition.

The situation in regard to Canada Cement is somewhat similar to that of Massey-Harris. The company is securing a large volume of business resulting from the great volume of new buildings which, if maintained, will enable the company to show good earnings on its common stock. The preferred is a satisfactory investment but if you purchase the common, you should be prepared to hold it over a long period.

Imperial Oil

Will you please let me have your opinion on Imperial Oil? Also any information you may have on International Petroleum.

Imperial Oil is an excellent long hold stock. While this company has not shown the exceptionally large increases of profit that have been shown by other oil distributing companies, it should be noted that the Imperial Oil is paying a higher price for its crude supplies. When the crude oil market comes back into its own, the purely distributing companies will not be so well off, whereas Imperial Oil will greatly benefit. Meanwhile it is paying high prices for its crude to its own subsidiaries; therefore it is not losing out. One of the subsidiaries from which Imperial Oil is securing its supplies of crude oil is International Petroleum. The operations of this company in Colombia have gone ahead rapidly in the past few years and its common stock presents an attractive buy.

Standard Royalties

What is your opinion of Standard Royalties, Ltd., as an investment?

Standard Royalties, Limited, is a high yield speculative investment for a person who can afford to risk a part of his principal for the sake of the apparently high income. We do not believe that we would advise investment in this company, by any person, unless that person had a substantial investment in most conservative bonds and stock and had an excess fund which he felt justified in putting into an enterprise of materially greater risk.

An oil royalty company buys royalties to be bought. As nearly gets a proportion of the value of the oil extracted. The success or failure of the company depends on the luck or judgment of the person selecting royalties to be bought. As nearly all oil wells soon or late must be exhausted, new royalties must be bought, which may or may not turn out as well. The operations of this company are in the central states of the United States.

Canadian Wineries

I hold 50 shares of Canadian Wineries at $22, and the actual price is now about $15. Do you expect an appreciation on these shares, and do you think a dividend could be declared this year?

The stock of Canadian Wineries has receded somewhat rapidly in the market, because of market conditions. We understand that the company is doing very well and that inventories are in good condition. The company is installing additional storage capacity, in order that matured wine may be stocked. At present the native wines in Ontario are sold from year to year and, therefore, the market prices for these products have been considerably lower than for wines which are matured for several seasons.

It is reasonable to expect that a fair degree of appreciation will be achieved by this stock over a term of a few months, assuming that the stock market does not meet a prolonged severe recession. We hardly think that a dividend will be paid on this stock this year, although earnings are known to be satisfactory.

Abitibi

I bought Abitibi shares at $60 for a six months' hold. I expect to obtain some appreciation. What chances do I stand of making a profit?

Whether or not the shares of Abitibi will appreciate within the next six months depends on first, the general situation prevailing in the stock market, and second, in the situation surrounding the newsprint industry itself.

If there are no further market recessions, Abitibi may appreciate a few points within the next six months. On the other hand, it will decidedly be longer than six months before any betterment appears in the unsatisfactory situation now surrounding the newsprint industry as a whole.

As a long hold, the stock looks like a satisfactory business man's purchase. However, with the newsprint industry over-expanded, and with new machines constantly coming in, any newsprint stock must be regarded as a speculation. We are certainly not enthusiastic about newsprint shares at the moment and consider that there is but little chance of any major appreciation over a six-month period.

Besco Shares

I believe that at the present time Besco common shares are a good investment. Do you concur in this? What is the outlook for the stock?

At the present time, all the securities of the British Empire Steel Corporations are speculations. The future of the company depends on the outcome of many things. The management is formulating a reorganization wherein the present holders of the securities will exchange them for securities in the new company which will perhaps own outright all the assets at present controlled by Besco. Attempts are being made also to obtain some favorable governmental legislation assisting the steel industry. If we have three or four more years of prosperity in Canada, the position of the corporation will be much improved. But if not, it is hard to figure out just what the future holds for the corporation. The Holt-Gundy interests now in control of Besco should be able to improve the situation surrounding the corporation—if any one group in Canada can. But you must remember that the Besco plants are situated at one end of a country 3,000 miles in length. The plants are far removed from the big markets of central Canada.

All in all, Besco securities are a gamble. In our estimation, if you want to gamble, you would be safer in gambling in the first preferred shares of the corporation.

There is a very real equity and a very real potential earning power back of the first preferred shares. The equity behind the common appears to be slim.

With the first preferred you do not stand the same chance of making, or losing, as much as with the common. Nevertheless we regard it as a better gamble. Do not buy any Besco securities, though, unless you are prepared to gamble.

Sterling Acceptance Corp.

About a year ago some high pressure salesman sold a large block of Sterling Acceptance Corporation 7% first mortgage bonds with a bonus of common stock, in this district. The price was par, and the issue was put out by Ryerson & Co., of Toronto.

We have been advised that the corporation are now going to redeem these bonds at 110, and the common stock at $25. We are very doubtful that this can be the case, unless they are just trying to sell some other security in place of the bonds mentioned above.

Would you kindly advise us if you have any information regarding this matter.

Sterling Acceptance Corporation through its local officials seems very reluctant to give out any information concerning its operations. A balance sheet for this company has been overdue many weeks and was supposed to have been released by the auditors more than two months ago, but as yet the officers of the company decline to give out this information.

If you have an opportunity to turn in your 7 per cent. mortgage bonds at anything like 110, it would be advisable to do so as indications are that this company may not be in any too flourishing a condition.

City Dairy, etc.

I now hold in government and corporation long term bonds $17,500, 8 shares Bell Telephone, 50 shares Noranda, 200 shares Wright-Hargreaves mine.

I now want to add some common stocks to my investments, which have a chance to appreciate and good for a hold.

My idea is to keep the bonds as a foundation, and in the future to buy into the good common stocks.

Do you consider the present a good time to buy or later, when the election in the United States is over?

We do not think you could do better in your common stock investment than to purchase into such sound enterprises as City Dairy, Montreal Power, Winnipeg Electric and Canadian Pacific Railway.

An interesting common stock in one of the smaller companies in the food industry is that of Pure Gold Manufacturing Company, which gives a somewhat higher yield than the majority of common stocks. We believe the company to be sound and progressive.

No one knows if the election in the United States will cause any prolonged unsettlement. On the other hand, we believe that recessions in sound Canadian stocks will be temporary and moderate. Speculators may find it advisable to wait a more definite trend, but investment for a long hold should be on a different basis.

Pure Food Stores

You are, no doubt, aware that the Pure Food Stores in Montreal amalgamated with Arnold Brothers. The preferred stock of each retaining its identity, but the common stock of each was taken over by a holding company known as Consolidated Food Products, Limited.

A client of ours has some of the Pure Food preferred stock at 98 and the broker who sold it to him told him it should be worth more now with the equity of Arnold Brothers behind it. Further, he was informed that it might possibly be called at the call price of 110.

To put this information to the test he offered the stock at once at 98, but was informed that only 96 was bid, and he then offered it at 96 and he was informed the market was under that figure. So he does not know what to believe.

The market for Pure Food Stores preferred stock probably is not entirely satisfactory because the stock is not listed and because Pure Food Stores now is associated with Arnold Brothers, which has not been doing very well. The results of the merger are yet to be known. Until the preferred stocks of both Arnold Brothers and Pure Food Stores are out of the way there cannot be any complete merging of the two companies since the earnings of Pure Food Stores must be used for dividends on the stock of that company. The preferred stock of Arnold Brothers, Limited, is in arrears of dividends. In the circumstances, we think, the Pure Food Stock is the much more attractive investment despite the lack of marketability.

Canadian Marconi

Having been a constant reader of your paper for many years, I am taking the liberty of asking you if you could give me some information about the Canadian Marconi Company? Some friends of mine told me that the present is a most opportune time to buy this stock, but before doing so I would like to have some definite information.

We also have heard in brokerage circles that Canadian Marconi Co. stock is an excellent speculation at the moment. This belief probably is based on the fact that the Radio Corporation of America and other wireless stocks are strong at this time. The situation affecting Canadian Marconi includes some interesting possibilities. If the wireless companies operating out of Great Britain are included in a merger with the present government cables the potential value of the Canadian Marconi Company as the connecting link in an all-British communication system will be materially enhanced.

On the other hand, buyers of this stock should note that present earnings or possible earnings in the immediate future do not warrant existing prices let alone an advance in prices. Responsible officials of the company in Canada frequently have expressed the opinion that the market has gone much too far in discounting the possibilities of this stock.

Ravina Properties Ltd.

I own $2,000 first mortgage 7 per cent bonds of the Ravina Property skating area located between Bloor and Dundas Streets, just north of High Park in the city of Toronto; and as you are no doubt aware they defaulted on their interest payment on this security on May 1st last. Would appreciate it very much if you would tell me the prospects for the company making future payments and earning a profit.

Ravina Properties, Limited, own a fine arena, capable of seating 5,000 people and equipped with a modern ice plant, which provides artificial ice skating from September until late in the spring. In addition they have a large enclosed curling rink and a fine outdoor swimming tank with bathing rooms, etc., immediately adjacent, diving boards and every convenience. They have plenty of ground and are well situated for both summer and winter business.

The security behind the debentures, therefore, seems ample, and it is simply a matter of making this property pay. During the past two years there have been new difficulties regarding payment to contractors and others and the management made some serious mistakes which turned earlier operating profits into a loss. At the present time the management and control seem to be in capable hands and the chances are that this property will turn out very well and bond holders receive regular interest payments. It would seem wise under the circumstances not to sacrifice these bonds as assets behind them are quite sufficient and over a period of years the property and business should be made to pay well.

Building Products

When are the dividends of Building Products payable? Some time ago your paper thought favorably of this stock. What do you think of it at the present time? I bought some a few months ago. Should I buy more to average my price down? I was thinking of buying some on margin.

Building products dividends are payable at the beginning of January, April, July and October.

Our opinion of Building Products remains unchanged. It still appears to be an excellent business man's buy. The present decline is due solely to general market conditions and not to any developments within the company which we understand is operating at capacity. The development of the company's subsidiary which it is building jointly with the Canada Power and Paper Corporation should further augment earnings.

Whether or not you should increase your holdings depends solely on the amount of funds which you have available for investment in securities of this class and the way you have diversified your semi-speculative stocks.

If you are well diversified in your semi-speculative holdings you might well purchase a few more shares of the stock.

We do not advise you to purchase the shares on margin. We have yet to learn of any individual who has made money buying stock from margin—and kept it.

Literally, thousands of people during the past three years have made tremendous gains on the market. The recent market slump probably cleaned out entirely many of these gamblers.

Canadian Car

As there is less common than preferred stock of the Canadian Car and Foundry Company outstanding, I cannot understand the market valuations of the two stocks.

In the event of the common reaching a position where 7 per cent. was being paid and the profits of the company justified a further dividend, is there any way in which the preferred might be called for redemption, or in the case of voluntary liquidation would the preferred share equally with the common in any surplus of assets. In other words, is there any "nigger in the woodpile" in regard to the participating feature of the stock.

At the present time, the preferred stock of the Canadian Car & Foundry Company is selling at about twice that of the common stock. While nothing has been paid on the common stock for the past couple of years, the company has a claim for reparations against the United States government which, if paid, would undoubtedly result in a substantial distribution to the common stock shareholders. On this account, the common stock presents an attractive lure to certain classes of speculators.

The company has the right, at any time, to call in the preferred stock at the redemption price. In the event of a very substantial increase in earnings which would enable them to pay more than 7 per cent. on the common stock, it is not likely that they would redeem the preferred.

In the case of a voluntary liquidation, the preferred would not share equally with the common in any surplus of assets.

There is no "nigger in the woodpile" as regards the participating feature of the preferred stock. If you will look back over the company's record for the past seven years, you will see that they have twice paid a bonus of five per cent. on the preferred stock. There is no reason for the company changing its present policy in the event of any unexpected increase in earnings.

Commerce Building Again

I have lived in this community many years. I have been offered the appointment of agent for G. A. Stimson & Co., bond house, of Toronto, with branch office at Ottawa, for this territory. Having read your articles regarding Commerce & Transportation Building, and as I do not wish to make any mistake, am asking you to write me your opinion of the above firm, and also your information regarding the points of Commerce & Transportation Building preferred stock which are hinted at in your valued column. If I take the agency, I would also consider purchase of the shares. Further, I want to sell nothing to my neighbors that is doubtful or that will fail to make money for them on their investment, or cause any future worry on that score.

Is the land valuable? Has construction been started?

Appraised value of the land on which the Commerce & Transportation building is being constructed has been increased from $941,050 in the fall of 1927 to $1,239,400 in the spring of 1928. Who gets the benefit of this increased valuation? The Ontario company in which stock was sold last year had a total capitalization of $1,350,000, and is being superseded by the Dominion company of the same name with a capitalization of $3,000,000. Last year the Ontario company owned land worth $941,050 and the later appraisal shows a profit of $298,350. This profit should have increased the value of the shares in the Ontario company. Yet the Ontario company's shareholders are offered preferred stock of the same par value on a share-for-share basis and the increase in their bonds of common is illusory. Who gets the benefit of the writeup in value?

Advertisements published since the beginning of this project intimated that there would be no bonds or mortgages. With a capitalization of $1,350,000, it appeared a modest capitalization for the building. But although stock was sold long in advance of the beginning of construction, a mortgage for $850,000 was registered against the property. Now it develops that a new company, without bonds or mortgages, will own the property. The new company will have outstanding capital of $3,000,000. It will be much more difficult to earn 7 per cent. on $3,000,000 than on $1,350,000. Circulars concerning the $3,000,000 company omit the estimate of earnings which appeared in circulars concerning the $1,350,000 company.

Advertisements of G. A. Stimson & Co. urge readers to "write for full particulars." Full particulars would include estimates of earnings. Full particulars would explain exactly what financial arrangements necessitated the increase in capitalization from $1,350,000 to $3,000,000. Full particulars would explain what moneys were being paid the Ontario company. Full particulars would explain the reason the property is (or was up to June 12) registered in the name of a private individual interested in the sale of stock. Full particulars would tell what claims the company has on the property pending transfer of title. Full particulars would include a statement of the contract price.

Have shareholders in the Ontario company been told the price for which their company is being sold. Have they been told who is the buyer? Have the shareholders in the Dominion company been told what price the company is to pay for the property other than that there will be $100,000 in cash left after the building is complete? Have they been told from whom they are buying the property? Have they been told what it is costing the company to assemble its capital? Have the shareholders any guarantee that, when the stock in this $3,000,000 company is sold, a new company, with, say, $4,000,000 capital, will not be organized to supersede the $3,000,000 company, just as the $3,000,000 company has superseded the $1,350,000 company?

The Financial Post confesses not to be impressed with the claim of G. A. Stimson & Co., Ltd., that it is the oldest bond house in Canada. The present head of this company was an employee of G. A. Stimson & Co. when G. A. Stimson was alive, and since joint stock companies are impersonal creations of the law, the company is the same company. In those days the company was engaged in the business of dealing in government and municipal bonds and was fairly well known to an older generation of investors in these classes of investments.

Did you ever hear the story of the farmer's axe? He had had this axe for fifty years. Of course it had had a few new heads and some new handles, but it was the same axe.

While the name continues, the policy and management of the old house are changed. Two of its enterprises are the Toronto Bond Exchange, Ltd., and the National Debenture Corp., Ltd. "For 44 years" asserts advertising matter, "every bond issue recommended and sold by G. A. Stimson & Co., Ltd., has paid interest and principal when due." Interest on bonds of the Toronto Bond Exchange, Ltd., has been paid, it is believed, but there is no market for these securities, so far as can be learned. The present head of G. A. Stimson & Co. admitted to The Financial Post that he did not know of any market, neither would he venture to fix a value on these bonds. A bond which cannot be sold at any price prior to maturity is not a desirable investment, even though current interest is being paid. It differs greatly from the municipal bonds which the predecessors of the present management were selling before the war. For instance, in 1913, 1914 and 1915, G. A. Stimson & Co. marketed such municipal issues as the town of Aurora, the rural municipality of St. Paul, Man., the township of Oliver, the township of Mersea, the township of Hibbert, the town of New Liskeard, the town of Haileybury, the township of Chapleau the town of Gravenhurst, the town of Scott, Sask., and the town of Summerland, B.C. All these and many others were marketed by G. A. Stimson & Co.

There is no trust deed securing the bonds of Toronto Bond Exchange. Interest payments depend on earnings, or on the degree of support given by the sponsoring house if earnings are not sufficient. There are no tangible assets behind these bonds. Even if there were a market for these, they would be far less conservative than the municipal issues on which the house founded its reputation prior to its present management.

The Toronto Bond Exchange was labelled as the successor of G. A. Stimson & Co., Ltd. But we are now informed that it only bought the stock business of the company which, for the present G. A. Stimson & Co., Ltd., is like eating your cake and having it, too.

Neither are the 5½ per cent. bonds of the National Debenture Corp. in the conservative class. Negotiable securities to the amount of 105 per cent. of the outstanding bonds are deposited as security with a trust company. This is hardly a sufficient margin in view of the fact that 40 per cent. of the total deposited are mortgages on which a percentage of loss usually can be expected. The 6 per cent. floating charge debentures are not secured by deposits with a trust company and the merit of the underlying securities is not stated. In fact, officers of G. A. Stimson & Co. refused point blank to let The Financial Post see a list of investments of National Debenture Corp., so we can only draw our own conclusions.

Property in the vicinity of Front and Bay streets, Toronto, undoubtedly has increased in value in recent years. The building has reached a height of several storeys at this writing.

The site and the building are valuable. But this fact by itself does not make investment in the company promising. The points to be considered are exactly the same points which individual shareholders should consider if they set out to buy a piece of real estate to be rented afterwards. Is the price low enough to enable the property to be operated at a profit? Are the preliminary expenses too high? Will the management be efficient? Will the interests of the preferred shareholders, the persons who have put their money into the property, be safeguarded to the uttermost?

The Financial Post remains of the opinion that there are much more attractive investments. We have said this, in replying to investors, on many occasions and there seems no point in reiteration even though importunate salesmen find fallow ground for their arguments in every part of the country. If there were a scarcity of less promising investments there might be some purpose in the frequent reexamination of the available facts. But a dispassionate opinion must be that there are scores of Canadian investments of greater promise of equal yield and with a record instead of a mere hope of earnings. Why bother buying or acting as agent for a stock about which there is a doubt?

When Women Invest

One Dependent on Income from $22,000 is Inclined to Invest Too Heavily in Foreign Bonds; Some Home-Grown Issues Are Suggested

A WEEKLY FEATURE

A woman client of mine whose living depends largely on the income of $22,000 would like some suggestions as to investment, combining safety with present high yield. She has bought $3,000 Australian 5 per cent. bonds and $3,000 Colombia 6 per cents. What do you think of the Department of Cundinamarca 6½ per cent. recently offered at 93½, also the Tokyo Electric Light Co. 6 per cent. bonds, due 1953, appearing at 90½? I would be grateful for your help in this matter.

Your client who wishes to live on the income from $22,000 apparently is in danger of investing too largely in the securities of foreign governments. For instance, we would not advise purchase of the bonds of the Department of Cundinamarca for the reason that the lady already holds bonds of the Republic of Colombia of which the department is a political sub-division. It is advisable to procure diversification of political risk, especially in countries which are not noted for their political stability. For this reason we would suggest that she refrain from purchasing these bonds, but there would seem no objection to her purchase of a moderate amount of the bonds of the Tokyo Electric Light Company. The Tokyo Electric Company is one of the largest public utility companies in the world and has a good record of earnings and a good credit rating.

We have prepared a list of investments which we believe would be suitable for your client. There is a diversification of industry and of class of security. There are industrial and utility bonds and industrial and utility stocks. The list follows:

		Yield	Income
$2,060	Canada, 1944	4.4%	90
2,970	Australia 5%	5.2	150
2,760	Colombia 6%	6.8	180
1,900	Tokyo Electric 6%	6.8	120
1,000	Mtl. Trams. '55 5%	5	50
1,065	Duke-Price Pwr. '66, 6%	5.6	60
2,085	Norwest Utilities, '38, 7%	6.4	140
10 sh. 1,095	Massey-Harris 7% Pfd.	6.4	70
10 sh. 1,115	Canada Bread 7% B Pfd.	6.3	70
20 sh. 1,830	Can. Canners 6% 1st Pfd.	6.6	120
10 sh. 2,010	Consumers' Gas 10%	5	100
10 sh. 1,630	Bell Tel. Co. 8%	4.9	80
15 sh. 450	Pure Gold Mfg. $2	6.6	30
$21,970	Average yield 5.7% or $1,260		

You may be somewhat surprised to see included in this list three stocks which are not preferred stocks. On these your client in the immediate future would receive less income than is received from any of the bonds or the preferred stock excepting the Dominion of Canada bonds and the Montreal Trams.

Our purpose in including stocks in an investment list of this character is to tend to assure average yield over a term of years. Interest rates are declining and corporations and governments are redeeming high yield bonds and preferred stocks and replacing these bonds and preferred stocks at a lower rate of interest. On the other hand, the yield from stocks such as Consumers' Gas, Bell Telephone and the manufacturing company we include, Pure Gold, should tend to increase over the years; for instance, the yield from stock in Pure Gold Manufacturing Company shortly will be in excess of 6 per cent.

Pure Gold Manufacturing Company is a company in the foodstuffs industry. It is a company with an excellent name in the trade and in the last year or two there has been considerable progress in volume of business and net earnings.

The Massey-Harris Company preferred stock should be a satisfactory stock as the company is soundly financed and rapidly building up its liquid position. Canada Bread and Canadian Canners' are two other companies in the foodstuffs industry and this industry is one which should prosper under all conditions.

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A purely Western Canadian organization confining its activities solely to the buying and selling of investment securities.

EMPIRE MARKETS BOARD'S DISPLAY COMING FOR "EX"

Display Will be Massive and Original Presentation of Empire Goods

Special to The Financial Post

LONDON.—During the next week the exhibits arranged by the Empire Marketing Board for their first participation in the Toronto Exhibition will be shipped to Canada.

As already reported in The Financial Post, an area of 20,000 sq. ft. in a special pavilion has been allotted to the E. M. B. The pavilion will be in the form of a "T." The leg of the "T" will be occupied by the exhibits of all those Dominions and Colonies which support in Great Britain the work of the board. At the head of the leg will be a Court of Honor where will be staged ancient equestrian statues of knights in armour, suits of armour around the walls, the Flags of the component parts of the Empire all making a fitting surrounding for life-size portraits of the King and Queen.

Model of English Street

In the left-hand gallery from the Court of Honor will be placed the model called Regent Street. This is a large model standing 16 feet high of a typical English street during an Empire Week display. The model will be placed on a staging 3½ feet from the ground so that visitors will imagine that they are walking on the pavement and looking into the windows of the shops. A shop of each trade will be shown dressed for Empire Week, a tobacconist boosting Empire tobacco, a butcher purveying joints from Empire cattle, a furrier selling furs from all parts of the Empire, etc. The street is bright with flags, and the windows with the attractive posters supplied by the board. At the cross streets policemen will be found holding up the traffic, so common a sight in London, and as people walk out at that end of the gallery they will find a most realistic model of the famous St. James's Square.

On the opposite side of the same gallery will be a complete exhibit of all the methods of publicity used by the board to push the sale of Empire products in Great Britain. To illustrate this work several large diagrams and working models have been constructed at the Imperial Institute and in the Lord Roberts Workshops for Disabled Soldiers and these will be shown for the first time in Toronto. The forms of publicity used by the E. M. B. include business newspapers, daily and weekly newspapers, wireless, cinema, posters and lectures.

Research to be in Display

The gallery on the opposite side of the Court of Honor will be devoted to research. On one side, staged as will be "Regent Street," will be a number of paddocks in which will be large models of all the different strains of pedigree stock, cattle, sheep, pigs and horses for which Great Britain is famous. As the public walk out of this side of the gallery they will find themselves walking into the judging ring of a typical agricultural show in one of the counties of Great Britain.

Opposite this exhibit will be the agricultural research exhibit. On this occasion, as apples are such a mainstay of the Canadian fruit export trade, the exhibit will show the most suitable type of apple for different climes, the best methods of seeding and grafting, the most suitable soils, the treatment of the trees in growth, working up to the production of the perfect apple, under perfect conditions, placed on the Empire markets with perfect grading, packing and transport.

It is believed that the pavilion of the E. M. B. will be a most attractive addition to the Toronto Exhibition and will justify the part Canada is now taking in the propaganda for Empire markets.

On Exchange Board

MAJOR C. E. SINCLAIR, of R. M. Harcourt & Co., recently elected to the board of the Toronto Stock Exchange.

60% PER YEAR PROFIT TO SPLIT IN ALLEY TRUST

Co-operative Speculators Are Up 35 Per Cent. in Seven Months

The Alley Investment Syndicate, the adventure in co-operative speculating which has been running since May, 1927, will pay about $1.50 on "A" units and about 75 cents on "B" units for the seven-months period ended June 30, 1928. In the previous seven-months period, the distribution was 65 per cent. over and above paid-up subscriptions. The exact division will be determined when accounts are square with brokers.

Each unit has a paid-up value of $5 so that the profit is about 35 per cent., or 60 per cent. per annum. Most of the original participants have not withdrawn profits at all. Their money left in the syndicate from the beginning has multiplied 2¼ times.

Down Last Two Months

The Alley Syndicate was fractionally better off two months ago than at the end of June. The market slump in mid-June was not unexpected but the managers of the syndicate were disinclined to sell stocks bought with a view to holding over a term of years. The result was that paper profits in many instances either were badly shrunk or had disappeared altogether.

It was felt that this was a temporary condition. In the last few days of June there was a fractional recovery, which has continued into July.

The difference between an "A" unit and a "B" unit is simply that "B" units are not paid up until the end of six months. And "A" unit is fully paid for seven months, a "B" paid in six monthly instalments beginning one month after the syndicate begins to operate, is available for the purposes of the syndicate for an average of only 3½ months. Thus it is considered fair to allocate twice the amount of profits to each "A" unit that are allocated to each "B" unit. "B" units which are not withdrawn automatically become "A" units at the end of each seven-months period.

Will Set Up Reserve

In the first two syndicates, the second of which is just closing, shareholders have the right to withdraw their profits and principal or to increase their holdings of "A" units by purchasing from the treasury. The full amount of the profit, less an allowance for selling expenses, is allocated. But in future syndicates, shareholders probably will be asked to agree to the setting up of a reserve of 5 per cent. of the profits which will carry over into the next syndicate. The third syndicate now beginning is without any reserve; a market recession would result in an impairment of capital.

Total expenses of running the second syndicate were less than $50 No salaries are paid. Bank interest and interest on unpaid balances at brokers are the largest expenses. The only other expenses are excise and postage and a safety-deposit box. The lack of expenses explains the very considerable profits in the face of a market none-too-good, at least since February.

None For Yield

No stocks are bought for yield; commitments are entirely for appreciation. Yet income from dividends has been more than sufficient to pay all interest charges and other expenses.

Recent common-stock purchases have been 50 shares of Pure Gold Manufacturing at 28¾, 25 Alberta Grain at 56, 25 Carling's Breweries at 32, 50 International Proprietaries (Eno's) at 4, 20 Canada Vinegars at 26½ and 10 Consolidated Sand & Gravel preferred at par with a bonus of ten shares of common. The Alberta Grain and the Pure Gold showed a profit at the end of June. The others were unchanged.

Locked Horns in Business

An argument against destructive competition in business is made by Dr. Stephen I. Miller, executive manager of the National Association of Credit Men in the current issue of the Credit Monthly under the title "Locked Horns."

"A native from Montana called at my office a few days ago and casually related a story which will remain in my memory for many years. The story is simple and primitive, silent and dramatic, grim and inevitable. About one hundred miles from the Big Horn River may be found the 'locked horns' of two elk that challenged each other a generation ago, and began a fight which ended in no decision. Down on the flats by the river may still be seen the bones of the combatants that were forced to starve to death because they could not break the deadly grip of their majestic antlers. This is all there is of the story.

"Two railroads bid for the traffic of the same territory, cut rates, give rebates and pass into bankruptcy; two banks compete for deposits, establish a high interest for long time accounts, and are closed by the bank examiners; two wholesalers discover that their margin of profit is narrow, reduce prices, increase volume, and are liquidated; two credit managers eager for volume, do not carefully analyze their credit and increase bad debt losses.

" Like the elk, they have locked horns and lain down to starve to death.

"Ignorance is the cause of many a battle. The business man who does not know his costs of doing business is likely to be ignorant in price determination; the banker who does not know the cost of carrying an account is generally the one to establish an interest rate which is unfair to the bank; the wholesaler who does not carefully analyze his market, his accounts and his stock, belongs to the dark ages in business; the credit manager who cannot interpret a financial statement and does not possess an interchange report largely depends upon horseshoes, wishbones and a rabbit's foot. The elk started to fight without thinking. In many respects some business men are like elk.

"Some start trouble because they don't know any better; some fight reluctantly; others want to remove a competitor. We are not so far removed from the law of the range; 'two-gun men' are not confined to the cattle country. It is easy to starve to death in lean years. The field of business is strewn with the carcasses of dead business enterprises. They 'lock horns,' So did the elk."

SEE COCKSHUTT PLOW AS CHEAP STOCK

Montreal Brokers Point to $3 Earnings and Promise of $1.50 Dividend

McCuaig Bros. & Co., members of the Montreal Stock Exchange, have published a circular recommending the purchase of the new no-par shares of Cockshutt Plow which are now traded on the Montreal Curb as well as on the Toronto Exchange, and which shortly may be transferred to the big board in Montreal.

It is pointed out that, with the exchange of the old preferred for the new common, there are no securities ranking ahead of the new stock and that earnings in the current year are at the rate of $3 the share. A $1.50 dividend is to be established soon, according to an announcement of Col. Henry Cockshutt, which confirmed the previous report in The Financial Post.

Cockshutt Plow was established in 1882 and thus is one of the oldest as well as one of the largest agricultural implement companies in Canada. In recent years a good export business has been built up with the East Indies and the Argentine and the export field is being cultivated more intensively than heretofore.

The cash position of Cockshutt Plow is excellent.

GODERICH ELEVATOR PAYS DIVIDEND

$1.40 is Declaration on Stock Offered to Public at $23

Goderich Elevator and Transit Co. paid its annual dividend of $1.40 per share on July 2 to shareholders of record June 15. The company in its fiscal year ended March 31, earned $141,076 on 84,006 shares of stock, which was a slight increase over the previous year and which is about the average earnings for the last six years. The company has been in existence since 1898 and has paid dividends continuously since 1904, it is stated. It owns three elevators at Goderich.

It is stated on good authority that the first three months of the current fiscal year have been the best first quarter in the company's history.

Midland Securities of London recently offered 33,000 shares of the common stock to the public at $23 the share. It is understood that the issue will be listed on the Toronto Stock Exchange within a few months.

Manitoba Power Dividend Rate Placed on $2 Basis

From Our Own Correspondent

MONTREAL.—The $1 a share dividend declared by the Manitoba Power Company, payable on August 1, appears to place the shares on a definite $2 annual dividend basis. The company initiated dividend payments at the close of 1927 by a $2 per share disbursement.

TRUST AND LOAN NET FAVORABLE

Profits Slightly Less But Earnings Considered Satisfactory

From Our Own Correspondent

MONTREAL.—Net profits of the Trust and Loan Company of Canada for 1927 amounted to £98,304. This compares with £101,758 in the previous year. In 1926 profit had been swollen to some extent by the falling in of profits which might be regarded as more properly belonging to other years. The printed statement reached Canada this week.

The income statement shows that interest on temporary investments decreased by £3,136, while "interest in Canada" was lower by £3,222. On the other hand, interest on debenture bonds required £11,591 less in 1927, owing to the smaller amount of bonds outstanding, while taxation in the United Kingdom was up by £7,345.
the United Kingdom was up by £7,345.

After allowing for dividend of 6 per cent., free of British income tax, on the paid-up capital stock, which absorbed £81,000, there was left £17,304 which was added in various forms to reserve fund out of the profits for the year.

The balance sheet shows that the land investments of the company are at last showing a substantial decrease and now stand at about $900,000, as against over $1,000,000 last year, while mortgage investments have increased by $500,000.

One or two changes of importance have been made in the executive staff of the company. Joseph Campbell, commissioner for Canada, has retired and has been succeeded by R. C. Young, formerly assistant commissioner of Montreal. Roger Kingdon, secretary of the company, has retired, and C. Ralph Snowden, who has been acting as assistant secretary for some time, has been appointed to succeed him. The services of Mr. Campbell are being retained by the company in an advisory capacity.

Insurance Licenses

The Department of Insurance, Ottawa, announces the granting of the following licenses:

Occidental Life Insurance Company, to transact life insurance. J. A. Ovas, Winnipeg, Man., has been appointed the company's Canadian chief agent.

British Empire Assurance Company, to transact accident, automobile, burglary, explosion, guarantee, inland transportation, plate glass, sickness, sprinkler leakage ,tornado and lightning insurance. W. M. Cox, Toronto, Ont., has been appointed the company's Canadian chief agent.

Imperial Guarantee and Accident Insurance Company of Canada, to transact fire, accident, automobile, burglary, explosion, guarantee, inland transportation, plate glass, sickness, sprinkler leakage, Tornado and lightning insurance. W. M. Cox, Toronto, Ont., has been appointed the company's Canadian chief agent.

UNLISTED MINING and INDUSTRIAL STOCKS

BOUGHT — SOLD — QUOTED

The following prices are subject to confirmation:

	Bid	Asked
Astoria Rouyn	.09	.11
British Canadian	.09	.12
Bunker Hill Extension	.17	.20
Callinan Flin Flon	.53	.60
Creighton Fairbanks	.85	.95
Harker Gold	.25	.28
Marshay Zinc Units	.19	.23
Ostrom	.09	.11
Pandora Units	45.00	55.00
Rouyn Gold Pan	.26	.32
Wood Kirkland	.23	.26
Brownlee	.08	.10
Patterson Copper	.22	.25
INDUSTRIALS		
Mutual Finance Pfd.	8.00	8.75
Mutual Finance Com.	8.00	8.75
Manufacturers Finance Pfd. with 50% com.	5.00	6.00
Toronto Finance Pfd.	2.50	3.50
Chase, A. W., Pfd.	56.00	65.00
Commonwealth Life	24.00	27.00
King Edward Hotel A	87.00	90.00
King Edward Hotel B	84.00	86.00
Marconi Wireless, English	16.75	18.00
Ontario Equitable Life	41.00	43.00
Mortgage Discount Pfd.	6.85	7.50
Mortgage Discount Com.	.45	.60

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TRAYMORE LIMITED OPENING NEW CAFES

Bay Street Savarin and Oshawa Grill Room Ready

Traymore Limited, whose first annual statement published in March showed healthy profits for the nine-month period, expects to place its two new units in operation within the next three or four weeks time. These consist of the new Traymore Savarin on Bay Street, Toronto, and the Oshawa Grill, in Oshawa, Ontario.

The latter is located on the main street of Oshawa, which is also part of the provincial highway from Detroit to Montreal, and will cater particularly to the tourist trade. It wll have a seating capacity of more than two hundred; and will be up-to-date in every respect.

The Traymore Savarin in Toronto is quite a pretentious affair, with an 84-foot frontage on Bay Street opposite Temperance, and architecturally beautiful both within and without. It will seat six hundred diners and will contain many unique features, including an elaborate system for providing water-washed cooled air and many other conveniences catering to the comfort of its patrons. It will be exclusively a service restaurant; and will cater very largely to the downtown business trade of Toronto.

Dominion Coal Enlarges Plant at Three Rivers

From Our Own Correspondent

MONTREAL. — Arrangements have been made by the Dominion Coal Company to enlarge its plant at Three Rivers so as to facilitate the unloading of coal at that point. When completed it is claimed that this will be one of the largest of its kind in the world.

The plant will be electrically controlled and will consist of an unloading and stocking bridge to work in conjunction with two steel towers and a conveyer. The bridge will have a span of 360 feet with an overhang of 132 feet at each end. A waterfront runway of 825 feet to the bridge will be possible when extensions to the present existing waterfront are completed. A storage space for 200,000 tons of coal will be provided.

The claim is made that with the new equipment ships can be unloaded in one third of the time that it took previously. Formerly ships using the old plant were moored along the side and unloaded in from five to six days, but the new method will allow a ship to get away in 48 hours.

The unloading will also be facilitated by the huge new type grabs which are to be put into operation. Eight tons of coal will be picked up in two or three seconds by the new lift.

Dominion Coal Company officials state that they are not contemplating any extensions to their plant in Montreal as yet, owing to the lack of space at their disposal.

Bonds Not Affected by Seaman-Kent Change

Outstanding first-mortgage bonds of Seaman-Kent Co., manufacturers of flooring and other hardwood products, are not affected by the recent reorganization of the company. Frank Kent, who had been a principal shareholder for a number of years, is no longer an executive of the company, and it is understood that he has disposed of all, or nearly all, of his stock interest.

George Edwards, of Edwards, Morgan & Co., who has been in fnancial control as chairman of the board since 1924, becomes president. W. Willis Gladwell is general manager, T. D. Macdonald is treasurer, C. E. Hough is salesmanager, and G. T. Bissell is purchasing agent.

Power Dam Keeps Mines

The announcement that the Ontario Government will immediately erect a storage dam and power plant at Ear Falls assures plenty of cheap power for the mines in Red Lake District. The principal properties interested are Howey Gold Mines and Nortricia Mining Company. A large amount of money is being spent on Nortricia by a Toronto Syndicate and the shaft will reach the first or 150-foot level this month.

Elected to Exchange

MONTREAL.—The Montreal Stock Exchange announces the election of David S. Yuile to membership. He is a partner of the firm of Kingstone and Mackenzie and will, it is understood, take up work on the floor of the Exchange for the firm, relieving Mr. Mackenzie, who has done the floor work for a number of years.

SUPERTEST PETE ISSUE NEW RIGHTS TO SHAREHOLDERS

Ordinary Shares at 27.50 in Proportion of One to Five

Shareholders of both the ordinary and common stock of Supertest Petroleum Corporation by the action of the board of directors this week, have been given valuable "rights" to subscribe to a new issue of ordinary shares, the proceeds of which will go toward further expansion of the company's business and augmenting of income.

The "rights" are the privilege of subscribing for one share of new ordinary stock for each five ordinary or common now held, the price of the new stock being $27.50 per share. At recent selling prices this gives shareholders rights worth approximately $1.50 a share.

The new issue will increase the company's issued capital by some 17,000 shares of ordinary stock, bringing the issued number of these shares up to 87,000 shares out of 275,000 authorized, leaving a balance of 188,000 ordinary shares in the treasury. Rights will be issued to shareholders of record July 14; and the stock must be taken up by August 18, when $10 is to be paid, with a second payment September 15, and final payment of $7.50 on October 15 next.

Earnings of the company, estimated recently to total $390,000 in 1928, are stated to be quite up to expectations for the first six months of this year; and present expectations are that at least the sum mentioned will be reached by December 31, 1928. This will enable the payment of a further good dividend this year; and there is considerable talk of 75 cents a share being paid in November next.

Plan New Wool Mill

Establishment of a co-operative woollen manufacturing industry in Lethbridge, employing 120 people, with a payroll of $150,000 a year, using 1,500,000 pounds of wool annually, and representing value approximately $300,000, is being considered by interested parties, and if carried to conclusion as early as hoped, the wheels of the factory would be turning by next October.

Standard Securities May Pay Dividend

From Our Own Correspondent

MONTREAL.—The first fiscal year of the Diversified Standard Securities ended June 30. It is said that earnings shown will be equivalent to about 20 per cent. of the average capital employed during the fiscal period. There are rumors, also, of some dividend action on the common shares.

Montreal Cottons Outlook Improves

From Our Own Correspondent

MONTREAL.—The keen competition which has existed throughout the whole textile industry during the first half of the current year has doubtless affected the earnings of Montreal Cottons. But the outlook for the last six months of the company's year, which ends December 31 next, is decidedly promising. The company is just beginning a new season and is making lines which will be sold to the consumer next spring. Four or five years ago, Montreal Cottons first began weaving mixtures of artificial silk and cotton. These lines are selling well and it is an end of the business which is steadily growing.

International Power Stock Being Listed

From Our Own Correspondent

MONTREAL.—Both the preferred and common shares of the International Power Company will soon be listed in Montreal. The stock at present changes hands in the unlisted department of the Montreal Curb.

The 7 per cent. first preferred stock is now quoted around $100, and the price of the common is about $34 a share. A substantial block of the shares is held in the United States. The subsidiary companies are growing and their earnings are increasing. The outlook for the company appears to be excellent.

Alberta Pacific Grain Completes Good Year

From Our Own Correspondent

MONTREAL.—The Alberta Pacific Grain Company has just completed the second year of operations of the present company. The company has had an excellent 12 months, and the annual report, which will make its appearance in about two months' time, should reveal earnings greater than during the first year's operations of the present company when earnings amounted to $3.53 per share on the common stock.

Eastern Dairies Will Need No More Funds

From Our Own Correspondent

MONTREAL.—The forthcoming issue of "Investments," published by Nesbitt, Thomson and Company, contains a complete review of Eastern Dairies and the operations of its subsidiary companies. According to the article, despite Eastern Dairies' past expansion and the probability of still further acquisitions in the dairy field, further financing is unlikely, due to the strong financial position occupied by the company. The liquid position of Eastern Dairies is further strengthened through the company's large investment account.

Massey-Harris Common Active on Montreal Board

From Our Own Correspondent

MONTREAL.—Considerable interest was displayed here this week in the common stock of the Massey-Harris Company. The stock has been traded in here for some time, but until the last few days has shown little signs of life.

There have been many favorable developments recently which have drawn attention to the prospects of Massey-Harris. Stocks of similar companies listed at New York have been selling high on current and prospective conditions. Any condition which would improve the outlook for the United States companies would benefit Massey-Harris as well, for the company is unique among Canadian industrials in that it successfully competes with United States and other companies in the markets of the world.

The Canadian crop outlook at present is such to make 1929 business for the company look very good and earnings for the current year are reported to be running about 11 per cent. ahead of those of last year. It was expected that a dividend would be declared on the stock over a year ago, but as yet the directors have not taken any action in this regard.

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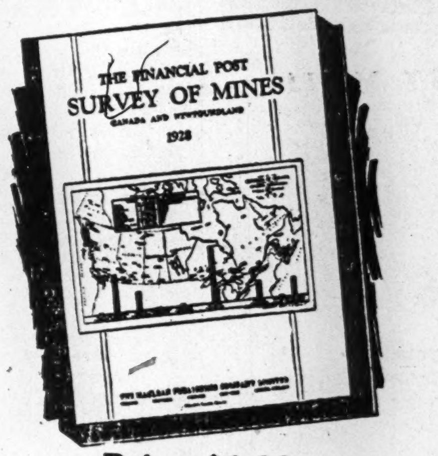

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CANNING INDUSTRY SETS NEW RECORD IN OUTPUT VALUES

Steady Expansion Noted in All Major Sections

CONSUMPTION GROWS

Over $35,000,000 Worth of Canned Products Sold in Canada During 1926

From Our Own Correspondent

MONTREAL.—Returns on canned food production in Canada for 1926 show a total value of $54,146,846. This is considered a remarkably good showing. Canning is a comparatively new industry in this country, the first record of production in 1900 showing an output in that year valued at $8,250,000. Since that time there has been a steady increase in production.

The producers in this country are provided with an enormously extended market and the consumer in both city and country with cheap and wholesome food in great variety. At the present time the industry is divided into five sections. The fish canning section leads in point of value, with an output last year of $23,076,288. Fruit and vegetable canning is second in importance with a pack in 1927 of $16,233,960, followed by condensed and evaporated milk with $13,159,659; canned meats, $961,066 and syrups, $715,873.

Fruit Canning Extensive

Canning of fruits and vegetables is carried on most extensively in Ontario, British Columbia and Quebec, where climatic conditions are favorable for the growing of fruits and vegetables. The pack in 1926 consisted of 837,405 cases of fruit and 4,920,727 cases of vegetables, having a total value of $15,814.

Tomatoes rank first in the number of cases with 1,592,828, peas being next with 1,291,215 cases, followed by corn with 930,549 cases, beans with 889,624 cases, peas with 176,390 cases, apples with 142,305 cases, plums with 133,778 cases, and peaches with 107,138 cases.

Fish Section Important

Fish canning is further divided into four major sections, namely, salmon, lobster, sardine and clams. Salmon canning has been carried on in British Columbia since 1876 when the initial pack was 9,847. Production varies greatly from year to year, output totalling 2,066,818 cases in 1926, a new high record. For the past year, however, restrictions were imposed on the catch of salmon, and the pack dropped off sharply.

Next to the salmon canneries of the Pacific coast comes the lobster canning industry of the Maritimes and Quebec. The industry dates back to 1870. In 1926, 455 factories were in operation, the total pack of which amounted to 123,519 cases, worth $3,745,187. In that year the value of lobsters imported was $135, whilst exports totalled $3,607,078 in value.

Sardine canning is confined almost solely to New Brunswick. Although but two canneries were reported in 1926 with a total pack of 217,592 cases with a value of $980,474, the true significance of its importance to New Brunswick is explained when account is taken of the fact that the Maine factories, about 50 in number, depend almost wholly upon the supplies of fish obtained from Canadian waters.

There is a considerable pack of canned fish of other varieties, the principal in 1926 being claims with 30,370 cases of the value of $188,272. Pilchards, haddock, herring, cod, halibut, scallops and mackerel are also packed.

The canning of meats, an adjunct of the meat packing industry, is not as extensively carried on in Canada as in other sections of the canned foods group of industries, being more in the nature of a side line of the main industry. The total value of canned meats manufactured in Canada in 1926 was $961,066. Closely allied to the canned meat industry is that of canned soups, the manufacture of which in the year mentioned totalled $604,883.

Although the condensed and evaporated milk industry in this country goes back to 1883, when a small plant was established at Truro, N. S., the industry had attained its greatest growth in the past decade.

Taking the canning industry as a whole, there are now 734 plants in operation, having a capital investment of $49,257,280 and giving employment to 20,431 workers, to whom salaries and wages totalling $7,138,339 were paid in 1926.

It is estimated by the Bureau of Statistics that domestic consumption of canned goods in 1926 totalled in value $35,112,004. This figure is arrived at by adding the value of manufactures and imports, amounting to $48,813,300 and $6,146,280, respectively, and deducting exports of $19,847,576.

Southern Canada Power Paying $4

From Our Own Correspondent

MONTREAL. — Southern Canada Power's declaration of $1 a share dividend on its stock on August 15 apparently places the shares on an annual $4 a share dividend basis. Last November, when th ecompany declared its third $1 a share dividend during 1927, The Financial Post indicated that the $3 payment in 1927 was a forerunner of a $4 a share dividend during 1928. This forecast is being fulfilled for in both February and May, $1 a share was paid. Obviously, Southern Canada Power would hardly declare a $1 dividend for each of the past three month periods and not declare a further $1 dividend next November. In 1927, $1 per share was paid in March, July and November.

AMERICAN PRAISES RURAL TELEPHONES IN SASKATCHEWAN

Says Farmer-owned Systems Place Cost in Right Place

64,000 RURAL 'PHONES

"Financial Investigation," who is writing for "Telephony," Chicago, some articles on publicly-owned telephone systems in the Canadian West, discusses Saskatchewan in his latest issue and states his belief that "Saskatchewan is believed to be the only place where there is a government telephone system, that the expense of giving the costly and unprofitable rural telephone service has been placed where it rightfully belongs; that is, on the user. Other government systems have devised palliatives to meet the cost of giving rural service, such as direct appropriations from the public funds, or rates discriminatory against the urban user. But nowhere has the same degree of success been achieved as in Saskatchewan."

The article continues:

"In 1909, following the footsteps of Alberta and Manitoba, Saskatchewan embarked on a program of public ownership of telephone. The great objective was to provide at a reasonable cost telephone service to the widely-separated farms scattered over the prairies. Schemes were devised whereby the farmer should be made responsible for bearing the costs and making the arrangements for supplying telephone service to the outlying settlements; the government reserving to itself the task of supplying the long distance and urban services.

Free Poles Given

"Under the first scheme brought forward, joint stock companies composed of farmers were formed under special legislation. Upon the raising of certain specified sums of money, the companies were supplied by the government with free poles for the construction of their systems. The construction of these systems was carried out under government specifications and all lines were inspected by the government, after which, on payment of the prescribed service station rentals, the lines were connected to the government telephone exchange.

"In a new country, as might be expected, capital was difficult to raise, especially when it is considered that the purpose for which the money was to be used was not primarily a money-making one, and that the destinies of these enterprises were to be entrusted to untried hands. From all accounts it is evident that the scheme did not come up to expectation, and other means had to be found to meet the pressing and ever-increasing demands for telephone service from the farmers.

"A scheme, embodied in legislation, novel and far-reaching, was brought forward in 1913. In a nutshell, it was to raise the capital money for building rural telephone lines by making the land of the persons served security; and for administrative purposes to make use of the principle of joint stock companies.

Plan for Rural Telephones

"The scheme is as follows: Where a group of farmers in any area wishes to obtain telephone service, a company is formed from the residents in the area to be served, who take out at least one share with a value of $5. Upon the necessary formalities being complied with, the company is registered and given the usual protection accoreded to limited liability companies. The company is now in a position to lay its requirements before the government, which draws up the necessary plans, together with an estimate of the cost of construction.

"Due notice having been given and provision made so that objections may be registered, all land within 300 feet of the proposed telephone lines becomes liable for taxes to provide the capital money. Debentures are issued for the total amount of the estimated construction costs. These debentures bear interest at a rate not to exceed 8 per cent. per annum with a maturity period of not more than 15 years, repayment being made in equal annual installments of principal and interest.

"The land being security and the money collected by the municipality in the form of taxes, these debentures enjoy a remarkable standing in the financial world, and it is understood they have always been sold at a premium. After inspection by the government and on payment of the necessary service station charges connection is made at the government exchange.

Rural Service Costs

"Costs vary greatly owing to different conditions of construction and service. From figures collected, the average cost per 320 acre farm would appear to be approximately $20 per annum for taxes, plus a charge for operation and maintenance of $15 per annum, or a total of $35. This rate is considerably higher than that charged for rural service by the government systems in Manitoba and Alberta, but is on account of the repayments of capital and interest.

"Telephone service on the farmers' lines in Saskatchewan is inferior both as to quality and reliability to that given in Alberta and Manitoba. This undoubtedly is due to the difficulty and expense of obtaining competent repairmen, which could easily be solved by a little co-ordination. The service station charges paid to the government telephone system are also considerably higher than those paid for similar service under private ownership in Ontario.

Usefulness to Community

"The success of the scheme is the measure of its usefulness to the community, and the following figures from the annual report dated April 30, 1926, are eloquent testimony to its success.

Total Number of telephones in Saskatchewan	97,279
Number of telephones on farms in Saskatchewan	65,496
Total capital invested in telephones in Saskatchewan	$28,270,722
Capital invested in telephones on farms in Sask.	$16,825,611

"For the betterment of the service, the farmers' telephone companies have taken over 150 government exchanges and are operating them at their own expense. In addition, these companies have provided service to no less than 358 small hamlets which otherwise would have been denied telephones. With a farming population of approximately 600,000 these figures constitute a remarkable record.

Rural Development in Prairie Provinces in 1926

Province	Telephones per 100 of Rural pop.	Ownership
Sask.	10.8	Farmer
Manitoba	4.8	Government
Alberta	5.5	Government

(Rural population figures for the year 1926 are estimated).

Likes Farmer Ownership

"The rural telephone situation in Saskatchewan brings out the following points:

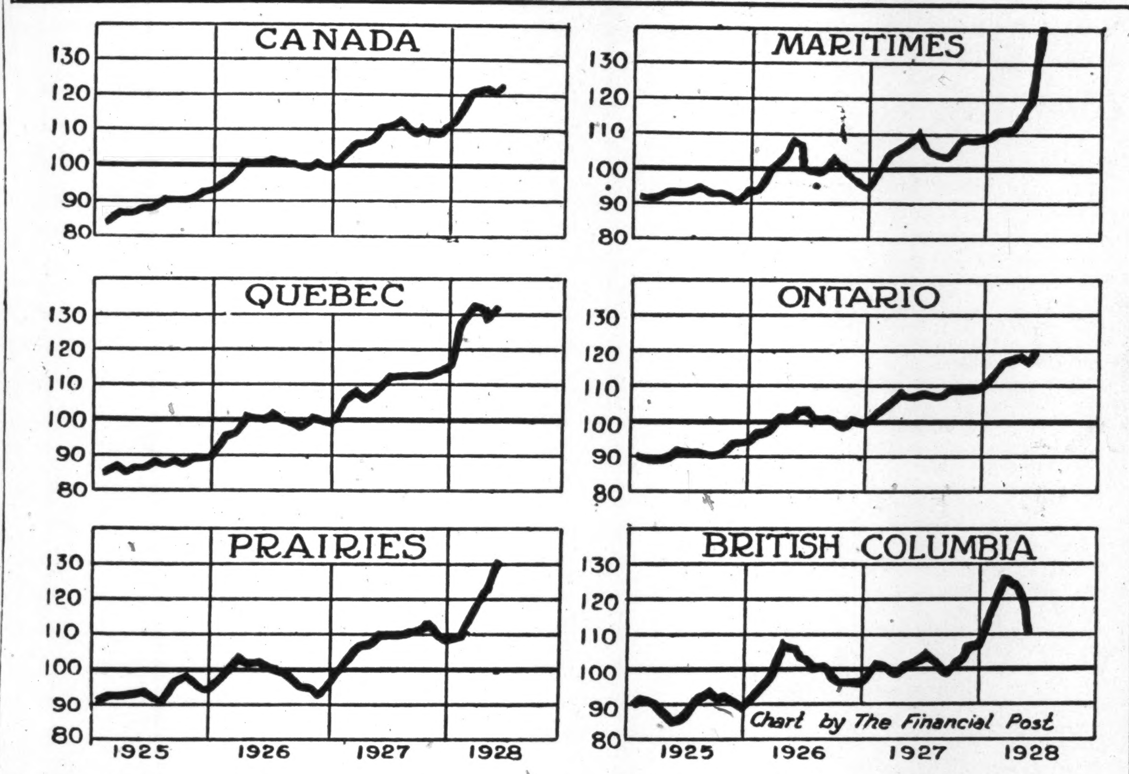
"Advocates of government ownership often claim that the unprofitable services in sparsely-settled areas can best be developed under government ownership. A comparison of development under farmer ownership in Saskatchewan, with rural development under the government ownership in Manitoba and Alberta, shows that such is not the case, and that the less the government interferes the better the development.

"Paternalism in the form of government ownership, which pauperizes certain classes of the community at the expense of other classes is not necessary to a good telephone development in outlying areas, the average citizen being willing to pay what the service costs. Saskatchewan conditions show that the farmers are willing to improve the service at their own expense and can do so more readily than if dependent on the whims of government officials.

"Those on the spot are more sympathetic to the needs of small communities than is a distant bureaucracy; witness the 358 small hamlets which are being supplied with satisfactory telephone service by the farmers of Saskatchewan.

"The rural telephone system in Saskatchewan is a wonderful achievement; an achievement which has fully justified the policy of the government in placing the costs of giving service up to those persons who receive the benefits of that service."

Business in Most Areas Moves Up



The index of business activity in the economic areas of Canada indicates that conditions were much more favorable in the Maritime Provinces and in the Prairie Provinces, while expansion was also shown in Quebec and Ontario. British Columbia showed a recession from the high totals of the preceding months. The index is a weighted average of seven factors adjusted for seasonal tendencies. They include contracts awarded, building permits, electricity generated, bank debits, sales of insurance and commercial failures.

Big Construction Job Boosts Trade Level in Maritime Areas

The Financial Post's Index of Business Activity in Five Economic Areas Shows Gains Everywhere Except in British Columbia

By SYDNEY B. SMITH, Ottawa

An expansion in business during May was shown in the Maritimes, Quebec, Ontario and the Prairie Provinces, according to an index measuring, from month to month, the trend of activity in the five economic areas of Canada. British Columbia was the only area to show a recession, but this was in comparison with the unprecedented level attained in the first part of the year.

New Paper Mill is Help

The extraordinary increase in the index for the Maritime Provinces was due to the placing of contracts for a new paper mill and hydro-electric development in Nova Scotia. The building industry is represented in the index by the statistics of contracts awarded and of building permits, the weight of each of these factors being reduced one-half to provide against assigning undue importance to the industry. The awarding of the contracts for the paper mill at Brooklyn, N. S., at $15,000,000 and for a hydro-electric development at North Liverpool for $3,000,000, greatly influenced the index for the Maritime Provinces in May, notwithstanding the handicap of the reduced weighting. Even after seasonal adjustment, building permits showed a gain over the preceding month, and industrial employment was considerably more active. Bank debits, after seasonal adjustment, were eleven per cent. greater, and the situation in regard to commercial failures was more favorable. The generation of electrical energy showed a downward trend, and the sales of life insurance were not so large. Five factors out of the seven were favorable in May, compared with the preceding month, the placing of several large construction contracts accounting in large measure for the remarkable gain in the index.

Building Active in Central Area

In the province of Quebec, bank debits and industrial employment were at extremely high levels and urban building was in satisfactory volume. The remaining four factors considered in this connection showed declines in May, but the index for the province showed an increase of one per cent.

Urban building in Ontario was in heavier volume, while the contracts placed for new construction, after seasonal adjustment, was on a lower scale. Bank debits, reflecting heavy speculation, as well as active business conditions, showed a pronounced gain in May. The sales of insurance were also in larger amount, while the situation in regard to commercial failures was less favorable. The weighting of the seven factors were slightly better in the month under consideration.

Steadily Expanding On Prairies

In the Prairie Provinces, five of the factors used to measure the trend of business by economic areas, showed considerable expansion in May, the only exceptions being in the output of central electric stations and in the commercial failures divisions. Industrial employment and both factors indicating the trend in the building industry showed improvement in the physical volume of business, while greater bank debits and sales of insurance illustrate the trend from the financial viewpoint. The index shows that since the beginning of the year, the business expansion in the Prairie Provinces has been continued at a steady and rapid pace.

An examination of the curve of business activity in British Columbia discloses that an upward movement was in progress in the first two months of the year, and since that time there has been a decline. Six factors out of the seven turned down in May, the only exception being the value of construction contracts.

Highest Construction Activity

The index in the Dominion as a whole computed for the sake of comparison showed an advance of about one point. The increase was due to the gains in employment, in bank debits and in both factors depicting the trend of the construction industry. The consistent advance in these four factors was especially significant. The construction awards reached the highest for any month in the history of the Dominion. Employment at the beginning of June showed a further pronounced gain, resulting in a more favorable situation than in any other month on record. The bank debits of May were only exceeded in December 1927, while adjustment for seasonal tendencies would place May in a maximum position. Speculation in mining and stock markets accounts for part of the expansion in bank debits, but indexes of the physical volume of business indicates that the production and distribution of commodities is proceeding on a large scale.

After adjustment for seasonal tendencies, contracts for new construction were greater in the Maritimes, the Prairies and British Columbia, and less in Quebec and Ontario. Building permits were greater in all areas except British Columbia. The generation of electricity from water power by central electric stations showed an increase in Ontario only. Industrial employment and bank debits were on a greater scale in all areas except British Columbia. Ontario and the Prairie Provinces were the only areas to show an increase in the sales of life insurance. The situation in regard to commercial failures was more favorable in the Maritimes and less favorable in the remaining areas.

New Farmers for Alberta

During the past year 2,908 farmers were added to the population of Alberta and 1,909 new farms were created, according to information from the Evans Statistical Service. While new farms have come into existence in all parts of the province new settlers have favored the Peace River district, 717 new farmers being reported and 530 new farms taken up in the course of the twelve months.

GROUP INSURANCE AND PENSION FUND MOOTED BY C.S.L.

New Scheme Now Awaits Only Sanction of Employees

From Our Own Correspondent

MONTREAL.—Subject to the approval of the employees, a comprehensive group insurance and pension fund scheme has been worked out by the Canada Steamship Lines covering something like 1,000 employees on the permanent pay-roll of the company.

The scheme is to be handled between the Travellers of Hartford and the Canada Life, and is noteworthy in that it embraces a company, whose personnel is for the most part composed of men who are only in the employee of the company for the summer months, although virtually part of the permanent staff.

Under the terms of the plan, the company's payroll will be divided into two classes, the largest group comprising employees on the permanent and annual pay-rolls; captains, chief engineers and pilots on seasonal or long-term contracts; all senior ships' officers, engineers, pursers and stewards who have been employed for five or more consecutive seasons. The other class will include all other employees that may from time to time be declared eligible by the trustees of the fund.

A Larger Scheme

As far as the group insurance scheme is concerned, the plan is a revision and enlargement of a smaller group scheme that has been in force for the past five years. This, however, is the first time a pension fund has been created for the benefit of the company's employees. The two schemes are to be operated separately, but both are contingent upon seventy-five per cent of the eligible employees accepting the plan.

Briefly, employees with dependents, eligible under the first class, will be able to secure the following amounts of insurance: $1,000 for more than three months and less than ten years service; $2,000 for 10 years or more of service. Employees without dependents will be eligible for only half the above amounts. The cost to the employees will be 50 cents per month for each thousand dollars of insurance.

The Pension Fund

The pension fund applies to employees presently employed, between the ages of twenty-five and fifty-nine. After June 30, 1928, no employee entering the employment of the company after he has attained the age of forty-three shall be entitled to become a member of the fund. The board of trustees is to consist of five members, two of whom are to be appointed by the company. and two elected by ballot by the members of the fund. The president of the company shall be an honorary member and president of the board. The annual contribution, with the exception of a sliding scale for certain older employees at present in the employ of the company, will be three per cent. of the annual salary.

On Montreal Curb

H. S. SHANNON, of H. S. Shannon & Co., who has been elected a member of the Montreal Curb Market.

ROBT. MITCHELL SECURES SECOND ALLIED CONCERN

John Watson and Son, Iron Workers, Bought Outright

From Our Own Correspondent

MONTREAL.—Further strengthening of its position in the architectural iron and bronze field by the Robert Mitchell Company, is seen in the announcement that this company has taken over John Watson & Son, one of the oldest architectural iron producers in Montreal. The acquisition gives Robert Mitchell Company a complete organization for handling both architectural bronze and iron.

It will be remembered that a short time ago the Robert Mitchell Company announced the purchase of the National Bronze Company.

For years the Robert Mitchell Company has been privately controlled but early last spring a public offering of its stock was made by a Toronto investment house. Capitalization of the present company consists of $500,000 first preferred seven per cent. convertible cumulative stock and $100,000 second preferred 7 per cent. cumulative convertible stock and 25,000 common shares of no par value. There has been an exceptionally good market for the first preferred and common stocks, which are both well distributed.

Both the National Bronze Company and the John Watson & Son Company were acquired without any new financing.

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Insurance for Buyer and Seller

Lessons Learned from Close Study of Gresham Case

Insurance Business is No Place for Men Who Gamble

EXPERT SPEAKS

Urges Some Changes in Existing Laws Governing Insurance Companies

Expert Analysis Insurance Failure

Many questions have been asked by insurance policyholders and shareholders since the collapse of the Dominion Gresham a few weeks ago. What about other companies? Can anything be done to make our laws more watertight?

The article reproduced here has been written for The Financial Post by an insurance expert who has watched closely the situation surrounding the Gresham failure. In it are a few words of caution to insurance shareholders. A few definite suggestions for changing existing legislation, and assurance that there are, fortunately, few "gamblers" in the insurance business.

By An Insurance Expert

Why do insurance companies fail? The record of Canadian insurance companies, particularly in recent years, has been such a good one that policyholders have scarcely ever had reason to ask themselves this question. The recent collapse of the Dominion Gresham Guarantee and Casualty Company has aroused keen interest among most policyholders and shareholders not only as to the reason for this particular failure, but as to what protective measures are being taken to prevent the occurrence of another similar catastrophe.

As most people know, the bulk of insurance of all types written in Canada is written by companies licensed either by the Dominion Government at Ottawa, or else by one or other of the provincial governments. There is still a certain amount of unlicensed insurance being written, particularly by a group such as Lloyds which operates purely as an unlicensed concern. Canadian insurance law and the supervision exercised by our government is regarded as the most efficient in the world. However, it must be remembered that an Insurance Department is something like a board of directors, it acts in the capacity of "watch dog" rather than bloodhound.

Gresham Gambles

In the official statement of the Dominion Gresham, it was indicated that the repayment of principal and interest on real estate had been guaranteed to a large figure without reinsurance—a large sum of over three quarters of a million dollars which might or might not have had sufficient collateral security to protect the company. The responsibility for such underwriting which was nothing more or less than "gambling" rests on the underwriter, which means the management of the company. Underwriters must not be gamblers because gambling is refuting the sole basis of insurance which is the scientific application of the "law of average."

Avoiding Gambling

How far this gambling can be avoided is no doubt a matter which is always occupying the attention of insurance supervisors. Some few years back an underwriter at Lloyds in London was charged with alleged fraud and the committee at Lloyds at the outcome of its enquiry instituted its "Central signing bureau" which now approves every policy issued by any syndicate. Thus an ideal system has been evolved. In Canada, distances rather eliminate such a course being adopted by the Department of Insurance but is it not worth consideration whether some special classes such as financial guarantees over a certain figure might be made subject to their approval? In the same way the government departments might consider whether it is wise to accept bonds of a penalty nature for large amounts which might pledge the security of the general policyholders in the event of the full amount of the bond being forfeitable.

Then again in the Gresham case in connection with the unsettled actions by the Federal Government for liquor shipments during the years 1923 and 1924. The company had issued bonds to a considerable extent and from time to time these had been returned for cancellation to the company. The action of the government in making these writs has been questioned on the following score. In matter of this nature the authority to trade in export liquor should primarily rest upon enquiry and satisfaction by the government and the presentation of a company's bond should not remove that onus from the government and the bond should stand as a reserve to the government's satisfaction, not in lieu of it.

Should Change Priority

Another point which will shortly receive consideration in this particular case is in regard to the priority of payment of claims. It has been suggested that the hardship of a liquidation such as the Dominion Gresham, is the ranking of those policy holders who have actually claims outstanding at the date of the winding-up order, along with claims of policyholders for unearned premiums on cancelled policies.

Generally speaking it would not be very hard on a policyholder having to lose the consideration for an unearned premium, but those policyholders who have substantial claims outstanding will be affected very considerably. Could not some provision be made in the Winding-up Act, so that policyholders with claims outstanding at the date of the winding-up order would rank prior to policyholders claiming for unearned premiums?

Investor Guide-Posts

As far as the investor is concerned, if the underwriting results of a company over a period of years have been consistent and the business has been growing, then on the face of it, good administration is indicated and the stock should be a sound hold from the investor's standpoint. The investor, however, should see that there is no tendency of a slightly increasing claims cost and a rising income because that is usually an indication that the reserve for outstanding claims has been set up on an inadequate basis but that, however is not conclusive.

Dividends are not usually paid out of underwriting profit, but more often than not from the proceeds of the interest of the company's investments, and these depend largely on the funds of the company which are principally comprised of the capital, the reserve for unearned premiums and the reserve set aside for claims which have materialized and still remain unsettled.

Careful Scrutiny Urged

In the early years of the insurance company life, little or no dividends can be expected, and especially in Canada where there are over 200 insurance companies operating to-day with a population of 10,000,000 there is even more reason to closely scrutinize the financial position, administration and the progress than in older companies where there is either more population or a much wider distribution of risks.

As far as sound indemnity practice is concerned, a careful study of statistics, as a rule discloses the fact that certain elements are to a close degree constant. For instance, the number of "accidents of employment" in a given trade in a province is fairly constant per thousand workers from year to year, and provided there is no change in the compensation law, the cost per claim is also reasonably constant, although it has a tendency to rise as the workers get educated to their legal rights.

Sound Basis Possible

Thus the underwriter has a sound basis on which to calculate his rates. To obtain statistics covering a wider field the tariff associations usually collate their experiences in bulk, and on the results calculate their rates which are regarded as minimum rates for "average risks." The tariffs function beyond rating risks, they generally do all in their power to safeguard the interests of both the public and the companies, but it must be clearly understood that a tariff is in no way a trust, its executive is just a controlling body.

Some of the risks underwritten by companies are sometimes too large for an individual office to carry alone, and the office has to go outside for re-insurance in another company. This "spreading of risks" is sometimes another anxiety for the underwriter but nowadays this "re-insurance" is more often than not provided for by automatic "treaties," and the public is amply secured, and the underwriter can rest contented that, if his treaties are soundly provided, he has no need for great anxiety, because he will never have a "target risk" at his own retention.

Highly Scientific

It has been suggested above that insurance is the scientific application of the "law of average," but there must be a combination with it of "risk spreading" otherwise in bookmaker's parlance "the book would not be round." This combination was fully recognized by the British legislators of the first marine insurance act of 1605, when they explained in the provisions of their statute that to avoid any heavy loss devolving on one man "which might be his undoing," that a group might get together and share one another's losses so that "the loss devolveth not heavily upon one, but lightly upon many." The act of parliament defined insurance in a nutshell.

However, as we have already said, legislation and insurance supervisors are merely watch-dogs—they are not bloodhounds, and occasions do arise where there springs to light some cause which no overseeing body had the opportunity of discovering, especially if the underwriter deviated from his insurance training by perpetrating a fraud or by unscientifically applying that law of average and exceeding a normal and prudent retention, thus dissipating the policyholders security. "Taking a chance" is not the psychology of the underwriter, once that is done he is a gambler, and one gamble may ruin his company. Fortunately the insurance world is not blessed with gamblers, and the public can rest assured still that when paying for a policy they are buying protection. Policy and protection should be regarded as synonymous.

Electrify Farm Homes

Modern farm homes are to be fully equipped and experimental tests carried on with a view to making a thorough investigation into the costs of electrifying the average farm home in Alberta, through the co-operation of the University of Alberta, the Calgary Power Co., and the U. F. W. A. It is planned to equip two representative farm homes in the province and operate electrical appliances for a period of one year to determine the actual costs involved. One will be in the north and the other in southern Alberta.

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INSURANCE MEN NOT SYMPATHETIC TO FLYING CLUBS

Actuaries, However, Are to Deliberate Upon Theme

CONCERTED ACTION

Canadian Life Companies Will Study as Unit Aviation Hazard in Insurance

The fate of aviation as an insurance hazard in Canada now rests in the hands of a special committee formed from the membership of the Toronto Actuaries Club.

This move comes as the result of the meeting of insurance men at London, Ontario, at which the main topic on the agenda was "aviation." This is the first time that Canadian life insurance companies have made a concerted effort to arrive at a definite decision in regard to the classification of the aviation hazard.

The first point brought out by the discussion at London was the difficulty of classifying this type of risk according to the hazard involved, and that each case had almost to be treated on its merits. Certainly the actuaries are impressed with the fact that aviation is one of the most important problems facing insurance companies at the present time, and also with the need of adopting a more or less uniform practice. Another opinion, fairly generally held, was that except in rare cases, the extra premium method should be used to cover the risk, rather than the lein method, which does not seem to give the company sufficient protection, when it is only deducted from aviation claims.

The maximum amount of extra premium that could be charged was estimated at $25 per thousand, and anything requiring more than this should be declined.

Regular Rates Favored

Fare-paying passengers, travelling over regular routes, were not considered particularly hazardous, most commercial companies having had a very clear record over the past two and one-half years. It seems probable that this type of risk will be accepted from standard up to an extra of from $10 to $15 per thousand, depending upon the number of flights per year.

Licensed pilots were looked upon as a feasible risk, the extra being estimated at about $25 per thousand. As between mail and passenger service, the former seems somewhat more hazardous, because of regular schedules required, although the equipment in each individual case is a factor that must be taken into consideration. Army and navy officers were thought to be even more hazardous than these other classes, in view of the fact that so much of the work is experimental.

Clubs Are Hazardous

A rather hard blow was dealt to the Light Aero Clubs, the expression of opinion seeming to point to the fact that unlicensed pilots, private owners and army reservists are a very hazardous type of risk.

For the moment then the situation is practically "statu quo," until the committee is able to investigate the hazards and to arrive at suitable ratings for the various classes of risk. The results of these deliberations will be watched with keen interest, not only by the companies but by a growing number of people who are beginning to take a very active interest in things aeronautical.

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New President

J. G. RICHTER, F.A.S., whose election as president of the London Life Insurance Company succeeding the late Dr. A. O. Jeffery, K.C., was announced in The Financial Post last week. Mr. Richter's connection with the company extends over a period of 45 years, during thirty-seven of which he was general manager and eight years vice-president.

SEEKS TO INSURE WITH $25,000 ASSETS

Unlicensed Insurance Sales Efforts Bring Warning to Public

Still another warning on unlicensed insurance in Ontario is issued by R. Leighton Foster, superintendent of insurance. He says:

"It should be understood that all insurance organizations authorized to transact and solicit insurance in Ontario, are required by law to be licensed by this department and that an insurer which transacts business or solicits insurance in Ontario without being so licensed, is not only contravening the law but is in almost every case, a speculative fly-by-night organization operated for the benefit of get-rich-quick promoters. The responsible insurer will rarely be a party to the solicitation of insurance in a state or province in which it is not licensed. It should also be realized that the provinces do not control and supervise the mails, which is a matter of exclusive, federal jurisdiction, and that no provincial authority can take effective steps to curtail the solicitation of unlicensed insurance through the mails.

"The National Protective Insurance Association of Kansas City, Missouri, has recently been active in this business. The slogan of this organization is "One cent a day brings $100 a month." It sells an accident insurance policy paying a maximum benefit of $100 a month for twelve months, and $1,200 to $1,800 in case of accidental death, for the low cost of $3.65 a year, or, one cent a day. This concern is an assessment accident and health association, organized in 1926 under the laws of the State of Missouri. Its total admitted assets as reported in Best's Insurance Report, are $25,266. This is a sample of the type of organization of which the Ontario public should beware."

New England Mutuals Appear in 1927 Report

Ontario insurance report for the first time reports the experience of New England factory mutual insurance companies in the province. Net premiums of $53,889 are shown for 1927 and net losses of $6,482, a loss ratio of 12.02 per cent. However, as R. Leighton Foster, superintendent of insurance, indicates: The figures reported for the Associated New England factory mutuals covered the period from date of initial license only, viz., September, 1927, for which the experience is not of particular significance on account of the shortness of the period.

Other mutual companies had a less favorable experience in 1927 than in 1926. Loss ratio for these companies increased from 29.37 per cent. to 40.56 per cent.

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INVESTMENTS EXCEED $63,000,000.00

PROFIT IS BETTER TARGET THAN THE VOLUME OF SALES

(Continued from page 6)

turing have been effected in recent years. The increasing use and application of developments in production cost accounting has done much to focus the attention of industrial managers on possible improvements in manufacturing processes, with an accompanying elimination of excess costs. The same cannot be said with regard to distribution. The high prices of commodities of all sorts to the consumer at the present time is in large measure due, not to the cost of production, but to the excessive cost of distribution of the manufactured goods. With highly competitive markets and narrow margins of profit, efforts are now being concentrated more and more on possible economies in marketing. Evidence of this is seen in the large number of business mergers which have taken place during the last few years. In many of these industrial consolidations, advantage is looked for in a reduction of the percentage of distribution cost to sales, rather than for a decrease in production costs.

It is therefore becoming more and more essential to obtain data on which right action may be based and of especial importance is the scientific analysis of market possibilities, sales, distribution costs and profits. From such analyses it is possible to determine sales forecasts and quotas, thereby establishing sales objectives and setting up suitable standards of measurement for sales effort. Sales objectives, if properly compiled, are in effect profit objectives and the recording of actual results in comparison with them provides a means of control over anticipated profits not otherwise obtainable.

Use of Budgetary Control

Such procedure is in fact the basis of budgetary control, the value and usefulness of which is becoming increasingly realized, evidence of this being seen in the extent to which it has already been successfully applied in the commercial and industrial field. The development is a sound and logical one and, in brief, amounts to the replacement of hit-and-miss methods by a carefully thought-out plan of business campaign. It is analogous to the procedure followed in the conduct of a military expedition. Main objectives are set, corresponding to the results desired at the end of the budget period and the state of progress is known by means of the intelligence services, with which may be compared the statistical and accounting analyses of results achieved to date. The careful scheduling of such results, as compared with the anticipated situation, will indicate the necessity for adjustments and revision of policy. In this way indication is obtained of the essential points at which effort should be concentrated in order to ensure success in carrying through the adopted plan.

Suggests Saskatchewan Follow Quebec Example

Private casualty insurance for workmen's compensation, versus state insurance, was the issue discussed before the Workmen's Compensation Inquiry Comm. of Sask. by V. Evan Gray, Toronto, chairman and counsel to the Canadian Casualty Underwriters' Association. Mr. Gray summarized the attitude of those he represented as follows: "It is not wise to place the whole of western Canada under one method of administration of workmen's compensation. It would be better to allow an alternative scheme to be maintained in Saskatchewan in order that each may check the other and be available always to witness the respective merits of the plans in actual operation, and always leave, for the public, some remedy for failure of either system.

Commendation of the Quebec act was forthcoming from Mr. Gray. "It is the latest and most modern compensation plan in Canada and we commend it to your study. The issue as to whether or not Saskatchewan should adopt a state fund plan or government insurance in lieu of the private insurance systems is a vital one for the interests I represent," he continued, "and we submit there are a number of reasons why Saskatchewan would be well advised not to venture into the very dangerous territory of state insurance."

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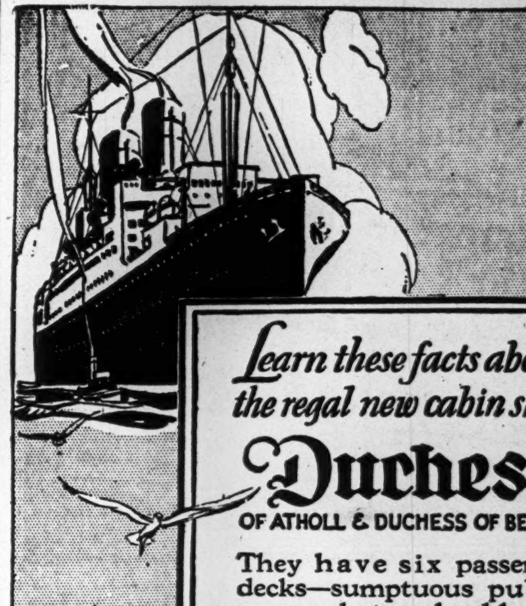

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Current Events in Banking World

SOME BANKS NOW MAKE 25c CHARGE FOR N.S.F. CHEQUE

Take Steps to Eliminate High Cost of Clearing Bad Item

By C. PAYELL

Much attention is now being given by the chartered banks to the subject of cost accounting. Owing to the narrow margin of profit received on every given transaction, it has been found necessary to find ways and means of placing all customers' accounts on a profitable basis. It is an axiom that each transaction put through the bank's ledgers, no matter how little work it involves, represents a basic cost to the bank. The time is past when services may be rendered free of charge and, anomalous though it may sound, the reduction in numbers of banks has increased competition, obliging them to give close attention to the question of minor profits and to the elimination of leakages, which are just as important.

Use of Routine Experts

Routine experts are constantly employed in studying banking methods and they have been instrumental in saving many thousands of dollars to their employers. Being chosen for their adaptability to absorb and sift new ideas and for their readiness to discard the old if considered advisable, they have proven themselves invaluable in aiding the banks to pay their usual dividends in both poor and prosperous times. In the face of increased overhead charges in the way of salaries and general upkeep of the banks, and in view of the fact that no relief has been afforded through federal, provincial or municipal tax reductions, more than one bank would have found it increasingly difficult to maintain payment of dividends without the assistance of these valuable employees.

Special attention has latterly been given to the increase in the volume of cheques issued on customers' accounts, and to the matter of cheques issued for which insufficient funds have been provided. Many people think that a large turnover in an account must be profitable to the bank handling it. In many cases an increase in total of deposits reflects an increase in profits but the reverse is true in other instances. It has been found that the size of credit balances carried is not the only point to be considered in arriving at the relative profit, the cost of ledger entries being the principal factor in determining whether an account is run at a profit or a loss. It is obvious that an account carrying an average daily balance of $100 with a few debit entries, is more profitable than one carrying twice that amount with a large number of debentures. When the volume of cheques exceeds a certain number the account is unprofitable. With regard to the nuisance of "N. S. F." cheques, it is no exaggeration to say that thousands of cheques are drawn daily on Canadian banks for which no provision has been made, thus necessitating their return to the sending bank on account of lack of funds. These "N. S. F." cheques represent in the aggregate floating liabilities amounting to many thousands of dollars. By reason of the fact that the payees receive credit for the cheques at the time of deposit, they are a constant source of loss to the banks.

Charge for N. S. F. Items

In order to discourage the practice of issuing such cheques and in some measure to compensate for loss of interest and time wasted in handling them, a charge of 25 cents on each cheque returned is now being made against the makers at certain clearing-house points. Wherever the factors of minor profits and elimination of sources of loss are seriously considered, similar charges will no doubt be made at points where no clearing houses exist. It may take some time to convince all branch managers that they can very easily make such charges without loss of profitable business, but no doubt they will all fall in line in due course.

Complete Hydro Unit

A 600 h.p. unit electric light plant has been installed in Lloydminster and recently inspected by W. J. Murphy, commercial and operating manager of the Mid West Utilities, who is making a business trip negotiating franchises with the towns between Lloydminster and Vegreville for the supply of electric light and power. The plant at Vegreville is also being doubled to make it 600 h.p.

Western Investments

Those who have investments in British Columbia, with which they are not familiar, may write to us for independent reports or valuations.

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Bank Chat

H. Lambert, formerly of the Bank of Montreal, Princeton, has been transferred from Vernon to Penticton.

J. Malcolm, of the Royal Bank, Coalmont, has been transferred to North Vancouver. J. C. Strange, of Vancouver, succeeds him at Coalmont.

J. S. Montgomery has assumed his new duties as manager of the Standard Bank at Napanee. Mr. Montgomery was formerly at the Lakefield branch.

V. G. Field, of Victoria, has taken over the management of the Princeton branch of the Bank of Montreal for the summer. H. L. J. Collas, the former manager, has been transferred to Lake Louise for the summer.

The Three Rivers branch of the Royal Bank of Canada has been undergoing a very thorough spring cleaning of late, and the whole interior is being redecorated. The Royal Bank building which was built nearly twenty years ago commands a strategic position at one of the city's best business corners.

The death occurred recently of Charles K. Currey, Drumbo. Mr. Currey was manager of the Molsons Bank at Drumbo for a number of years, retiring about three years ago. He had been in poor health for some time, but as he seemed to be improving lately the suddenness of his death was a shock to all who knew him.

W. Bourke, formerly inspector, head office, has been appointed manager of the branch of the Imperial Bank of Canada at the corner of Bay and Temperance Streets, Toronto, succeeding W. M. Sellens. Mr. Bourke joined the bank at North Bay in 1902 and most of his career has been spent in Northern Ontario as manager at Gowganda, Porcupine, North Bay and Sault Ste. Marie. Since May, 1923, he has been inspector at head office, Toronto.

Members of the Trenton Rotary Club and other citizens joined in a complimentary dinner to W. A. Bishop, who for the past three years has been manager of the Trenton branch of the Bank of Montreal and is leaving for Toronto to undertake new duties in the superintendent's department at the head office. On behalf of the Rotary and the citizens generally, Past President W. House, of the Rotary Club presented Mr. Bishop with a traveling bag.

W. M. Sellens has been appointed manager of the new branch of the Imperial Bank of Canada, at the corner of King and Bay Streets, Toronto. The Imperial Bank has now 33 branches in Toronto. Mr. Sellens joined the bank at Sault Ste. Marie in 1907, and during his career has been manager at Rosthern, Moose Jaw, Prince Albert, and assistant manager at Edmonton. Since 1923 he has been in charge of the Bay and Temperance Streets branch, Toronto.

B. C. Gardner, assistant manager of the Bank of Montreal, at St. John's, Nfld., has been promoted to the position of manager which was made vacant on the death of J. A. Paddon.

R. B. Richardson, manager of the Summerside, P. E. I., branch of the Royal Bank of Canada and Mrs. Richardson arrived home recently from a very enjoyable two-months' visit to Europe. Many places of historical interest were visited both on the Continent and in England.

Return of France to the gold basis leaves Spain the principal European country which has not stabilized its currency since the war. The others are Norway, Roumania, Turkey and Bulgaria.

It will take some time to mint the new gold and silver coins. Peasants will not be given a chance to hide away so much of the yellow metal that credit will be endangered. They will be given silver coins gradually and there will be enough to replace the small bank notes completely by end of 1922. Gold coins are not to be put into circulation until it appears wise. Gold, however, will be available in bars for big transactions.

Stupefying gas as a measure of defence against bandits was tested, with results said to be satisfactory, in a branch of the Imperial Bank, Toronto.

The fumes, ejected from jets placed at strategic positions, will overpower anyone in less than 60 seconds, the demonstration showed.

One drawback is that employees of the bank would be exposed to the gas themselves, although an effort is being made to place the jets so that their fumes would strike the bandits direct, and take effect on them first, allowing the employees time to sound an alarm.

Those present at the test acclaim the method as a decisive step toward coping with bank bandits.

J. Weldon Currie, formerly of the Royal Bank of Canada, St. John, N. B., has been chosen vice-president of the Grace National Bank of New York. An extract from the Southern Banker comments upon his appointment, as follows: "J. Weldon Currie, who has been actively engaged for the last two years in the development of the interests of the Grace National Bank in the south, was recently named vice-president of that institution in charge of its activities in the southern states. Mr. Currie began his banking career 16 years ago with the Royal Bank of Canada, spending five years in its Canadian branches and three years in its Latin American offices. Since 1920 he has been connected with New York banking institutions, having been associated with the Mercantile Bank of the Americas as auditor. In 1924, Mr. Currie entered the service of the Grace National Bank of New York, where he remained until his present election."

Mr. Currie is but 30 years of age.

Pilchard Plants Active

The pilchard meal plants on Vancouver Island have shipped over 165,000 sacks of meal to Germany since October last, and this material is proving a strong competitor with Norwegian herring meal shipped to that market.

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INTEREST RATE HIGH UNDER FINANCE PLAN

But Aim is to Private Loans For Those Who Cannot Borrow From Banks

Wage earners, salaried employees, professional and business men and women will be the preferred clients of the Central Finance Corporation, recently organized in Toronto, to provide banking credit to the industrial classes.

Under the "Central Banking Plan" as the new company call their system, loans will be made to men and women of good character in amounts ranging from $50 to $5,000, for one year or less, repayable on a monthly or weekly payment plan, all discount rates and charges being regulated by act of parliament. The loan must be for a worthy purpose and the extent thereof will be regulated by the earning power of the borrower.

The borrower will pay 6% discount and a commission charge for this accommodation. This service charge, which covers the cost of investigation, will be one per cent. on loans from $200 to $500, and two per cent. on all loans higher than that. The charter permits the company to charge seven per cent. on loans over $500. The loan is made for a year, with specified rates for repayment in instalments. If it is all paid off, say in six months instead of a year, there will be a rebate on the discount, the company being allowed, however, three months' interest as a bonus in any case.

Under these terms a borrower of $100 would receive $93. $6 being deducted for discount and $1 for the service charge. In other words he pays at a discount rate of 7%, provided he keeps the money for the full year. But, repayment is by instalments and therefore he has the full amount of $93.00 only for an average of a shorter period. Worked out on the basis of the average sum of money in possession of the borrower, the rate of interest per annum is about double seven per cent. If he is fortunate enough to be able to pay off his loan in a short time he will receive the rebate which will no doubt reduce the rate per annum quite materially, but otherwise the plan appears costly.

The company does not expect to experience any competition from the banks. This is surprising in view of the numerous small loans made, every day, by the banks to applicants whose standing and character are good. Particulars as to what the loan is for are demanded by the bank, naturally, but if the applicant is well vouched for he can secure his loan and at the regular bank loaning rate of from 6% to 7%, with no additional service charges, or regulations as to repayment.

Full particulars with regard to the Central Finance Corporation plans have not yet been announced.

The new company will have a capitalization of $500,000 which is to be 20% paid up before business commences in August. A. P. Reid, formerly of the Canadian Bank of Commerce, is general manager, and with him will be associated a group of prominent Toronto business men. Mr. Reid states the names have not been announced.

The plan is similar to that of the Morris Plan Banks of the United States and not unsimilar to a plan recently announced by the National City Bank in New York.

Weekly Bank Clearings

(As compared with same week last year)

Eastern Cities

	June 30, 1927	June 28, 1928
Halifax	$ 2,523,591	$ 3,127,468
St. John	2,326,378	2,752,837
Moncton	917,489	984,822
Sherbrooke	769,541	851,240
Quebec	5,834,078	6,682,422
Montreal	129,173,330	134,576,588
Ottawa	6,738,727	7,957,887
Kingston	845,494	901,717
Peterboro	773,689	961,348
Toronto	109,278,724	137,992,433
Hamilton	5,768,682	6,340,700
Brantford	1,162,087	1,843,664
London	3,282,449	3,209,668
Chatham	620,463	885,226
Kitchener	587,562	1,258,601
Sarnia	560,032	....
Windsor	4,120,003	6,286,073

Western Cities

	June 30, 1927	June 28, 1928
Fort William	$ 983,601	$ 1,350,507
Winnipeg	38,569,714	60,074,482
Brandon	583,523	584,981
Regina	4,366,330	4,726,463
Moose Jaw	1,236,820	1,152,115
Saskatoon	1,786,866	2,221,656
Prince Albert	267,161	392,127
Lethbridge	450,319	728,475
Calgary	7,738,879	11,084,614
Edmonton	5,708,162	5,785,503
Medicine Hat	281,168	360,003
N. Westminster	921,965	915,353
Vancouver	16,146,940	20,501,059
Victoria	....	2,390,788

Monthly Bank Clearings

(In comparison with same month last year)

Eastern Cities

	June, 1927	June, 1928
Halifax	$ 13,919,383	$ 16,648,055
Saint John	10,795,466	13,114,396
Moncton	4,040,844	4,355,902
Quebec	32,533,393	32,894,777
Sherbrooke	3,991,685	4,583,037
Montreal	559,136,532	692,999,926
Ottawa	33,233,585	39,653,963
Kingston	3,824,648	4,324,053
Peterboro	3,714,325	4,092,534
Toronto	531,819,903	659,049,971
Hamilton	26,641,728	30,376,570
Brantford	5,151,944	7,605,797
London	15,227,775	17,042,556
Kitchener	5,234,078	6,038,961
Chatham	3,277,156	3,436,300
Sarnia	3,159,479	....
Windsor	20,835,670	24,288,586
Fort William	4,330,568	5,729,610

Western Cities

	June, 1927	June, 1928
Winnipeg	$190,830,937	$266,362,243
Brandon	2,500,604	2,836,257
Regina	17,638,988	22,529,868
Moose Jaw	5,218,180	5,602,115
Prince Albert	1,611,883	....
Lethbridge	2,082,258	....
Calgary	31,916,801	47,834,138
Edmonton	22,267,107	....
Medicine Hat	1,295,158	1,928,095
N. Westminster	4,203,297	3,705,404
Vancouver	72,268,313	70,780,446
Victoria	10,238,299	11,667,234
Saskatoon	8,218,670	10,505,364

HONEY PRODUCTION SHOWS SHARP GAIN

All Provinces Report Larger Values for Past Year

From Our Own Correspondent

MONTREAL.—An increase of approximately 50 per cent. is shown in the value of Canadian honey production for 1927 as compared with the preceding year. According to a survey, prepared by the Federal Department of Agriculture, 22,348,270 pounds of honey were produced last year, valued at $2,783,168, as against 13,769,649 pounds, worth $1,895,883 in 1926.

While all the provinces report varying productions of honey, the industry is largely centred in Quebec, Ontario and Manitoba. Out of a total production last year of 22,348,000 pounds, these three provinces accounted for 20,386,000 pounds.

Details of production are shown in the following table, together with values:

	Quantity lbs.	Value $
P. E. Island	4,000	520
New Brunswick	120,000	19,200
Nova Scotia	50,000	6,500
Quebec	3,500,000	525,000
Ontario	9,500,000	890,000
Manitoba	7,386,575	960,524
Saskatchewan	500,976	104,616
Alberta	300,000	60,000
British Columbia	986.719	217,078

Imports Relatively Small

Imports of honey into Canada are relatively small, amounting for the fiscal year 1928, to 148,753 pounds, of the value of $22,354, chiefly from United States and the West Indies.

Exports, on the other hand, are beginning to assume considerable importance. During the last four years there was a steady increase both in quantity and value. For the fiscal year ended March 31, 1928, Canada shipped 2,097,023 pounds, worth $187,237, compared with 1,568,712 pounds, of the value of $147,555 in the preceding year.

The United Kingdom is the principal buyer of Canadian honey. Germany, Holland and France are also important markets, while shipments are made to the United States, Denmark, Belgium, Norway, Sweden and other countries.

Homestead Entries Increase

Homestead entries for Dominion lands granted in the four western provinces during May totalled 906 as compared with 640 for the same month last year. By provinces, Manitoba recorded 44 as against 71 for May, 1927; Saskatchewan 266 as against 287; Alberta 517 as against 265 and British Columbia 79 against 17. For the five months of the current year entries totalled 3,885 as compared with 2,168 for the similar period of 1927. By provinces, Manitoba recorded 207 as against 253; Saskatchewan 1,221 as against 1,088; Alberta 2,249 as against 840, and British Columbia 208 as against 37.

The Royal Bank of Canada
Head Office, Montreal

Condensed Statement to the Dominion Government
May 31, 1928

LIABILITIES

Capital Paid up	$ 30,000,000.00
Reserve Fund	30,000,000.00
Undivided Profits	1,800,831.87
Dividend No. 163, payable June 1, 1928	900,000.00
Notes in Circulation	36,949,632.94
Deposits	747,694,509.01
Due to Other Banks	29,227,126.55
Bills Payable (Acceptances by London Branch)	4,385,581.78
Letters of Credit outstanding	43,804,189.86
	$924,770,962.01

ASSETS

Cash on Hand and in Banks	$137,263,246.83
Deposit in the Central Gold Reserves	11,400,000.00
Government and Municipal Securities	124,313,056.38
Railway and other Bonds, Debentures and Stocks	20,951,076.44
Call Loans in Canada	62,710,564.30
Call Loans elsewhere than in Canada	60,782,066.76
	$417,420,010.68
Loans and Discounts	444,854,161.99
Liabilities of Customers under Letters of Credit as per contra	43,804,189.86
Bank Premises	14,197,030.34
Real Estate other than Bank Premises	1,746,340.84
Mortgages on Real Estate sold by the Bank	1,449,228.30
Deposit with Dominion Government for Security of Note Circulation	1,300,000.00
	$924,770,962.01

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To the Stockholders of

INTERNATIONAL PAPER COMPANY
PLAN FOR FORMATION OF NEW HOLDING COMPANY

Your attention is called to the Plan and Agreement, dated June 28, 1928, whereby you will receive for your stock in International Paper Company shares in a New Company on the following basis:

For each share of 7% Preferred Stock of International Paper Company	1 share of 7% Preferred Stock of the New Company
For each share of 6% Preferred Stock of International Paper Company	1 share of 6% Preferred Stock of the New Company
For each share of Common Stock of International Paper Company	1 share of Class A Common Stock, 1 share of Class B Common Stock, and 1 share of Class C Common Stock of the New Company.

The New Company, which it is expected will be named International Paper and Power Company, is intended to function primarily as a holding company. It is expected that its formation will make practicable a more complete segregation of the Company's power and utility assets from its pulp and paper assets, and otherwise facilitate the operation and financing of the properties.

Deposits of International Paper Company stock under the Plan and Agreement may be made with the following Depositaries who will issue Certificates of Deposit of the Committee below named:

The Chase National Bank of the City of New York, 57 Broadway, New York City
The First National Bank of Boston, 67 Milk Street, Boston, Mass.
Montreal Trust Company, 11 Place d'Armes, Montreal, P.Q.

Application will be made to list Certificates of Deposit on the New York Stock Exchange

The prompt action of all stockholders in depositing their stock will permit the Plan to be declared effective at the earliest possible date.

The Board of Directors of the Company have strongly recommended the deposit of your stock.
Further information may be had upon application to the Secretary of the Committee.

JOHN F. ROLLINS, Secretary, 100 East 42nd St., New York City.
DAVIS, POLK, WARDWELL, GARDINER & REED, Counsel, 15 Broad Street, New York City.

FRANK N. B. CLOSE
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ALBERT H. WIGGIN
OWEN D. YOUNG, Committee

In view of the ever increasing consumption of coal throughout the Maritime Provinces and Eastern Canada as well as the Northern Atlantic States, due to development of the Country, with such industries being built which are large consumers of Bituminous Coal as Coking ovens, Cement Plants, Pulp Mills, Railroads, etc., and with the commanding position of these mines in respect of the points of consumption, this enterprise offers possibilities to the investing public of unusual merit.

New Issue

40,000 Shares ($25 Par Value)

Canadian Coal Company Limited

Incorporated under the laws of Nova Scotia 1924

7% Cumulative Redeemable Sinking Fund Preferred Shares

Fully paid and non-assessable; Preferred as to Assets and Dividends, Redeemable in whole or in part at the Company's option; by resolution of the Directors at $27.50 per share and accrued dividends, after two years by giving 30 days notice. Dividends payable August 1st.; and February 1st., of each year, and holders of Preferred Shares shall be entitled to vote at any meeting regularly held after dividends on Preferred shares shall be in default two consecutive years.

CAPITALIZATION

	Authorized	Outstanding
7% Cum. Redeem. S.F. Preferred shares ($25 Par)	40,000 shs.	40,000 shs.
Common Stock (No Par Value)	150,000 shs.	78,350 shs.

Upon completion of this financing the Company will have no Bonds or Mortgages.

BOARD OF DIRECTORS

L. H. WHEATON, A.M.E.I.C., Halifax, President.
H. M. BRADFORD, Investment Bank, Halifax.
O. H. PARSONS, Halifax.
H. N. McMASTER, Gen. Mgr., International Finance Co., Montreal.
FREDERICK M. THOMPSON, Gen. Mgr., Albert Manufacturing Co.; Montreal.
S. S. HOLDEN, Pres., Grant, Holden, Graham, Limited, Ottawa.
P. GOSSELIN, Montreal.

ADVISORY BOARD

Fredk. B. Brown, M.Sc., of Walter J. Francis & Co.; Montreal, P.Q.
J. Rattray Wilson, Consulting Engineer, Ottawa, Ont.
Geo. E. Leighton, Consulting Mining Engineer, Montreal, P.Q.
Thos. J. Coulter, of Coulter & Jones, Chartered Accountants, Montreal, P.Q.

THE COMPANY

The Canadian Coal Company, Limited was incorporated in December 1924 and is taking over, amalgamating, reconstructing and operating the Fundy Colliery, Strathcona Colliery, Boston Colliery and Jubilee Colliery, and the leases on 12 square miles of coal areas near by the above properties, and has also acquired the Coal Sales Limited, a selling and distributing Coal organization and is authorized to purchase Vessels, Ships, Barges, Tugs, etc., for water borne shipments to meet the requirements of the Company and to supply such additional working capital and equipment as may be found necessary.

PURPOSE OF THE ISSUE

Is to supply sufficient funds to conclude the ownership of the above properties mentioned, supply and install modern mining machinery and operating equipment, and intensively develop the properties which have been and are now operating successfully, increasing the production to meet the present pressing demands, and to fill orders and contracts outstanding and offering.

PROPERTY

The Canadian Coal Company Limited, has already acquired the assets of the Fundy Coal Co. Limited, owning two important coal properties, the Fundy Coal area consisting of 1,350 acres with 8,500,000 tons of coal already blocked out with a further 8,500,000 tons in sight down to the 7,000 ft. level, and the Strathcona Coal areas, comprising 2,560 acres with approximately 7,900,000 tons of coal proven. In addition, negotiations have been completed for the acquisition of 2 additional collieries, the Boston Coal Company, owning 744 acres containing about 15,000,000 tons, and the Jubilee Mine, with 640 acres on which approximately 15,000,000 tons of coal are indicated. Thus the 4 properties to be owned by the company have an estimated 55,000,000 tons of coals in sight.

In addition to the marketing of the output of the Canadian Coal Co. Limited, mines, the Coal Sales Ltd., already owns the Emmerson Fuel Co. Limited, of the City of St. John and the Canadian Coal Sales Limited, of the City of Halifax where domestic trade markets are available to the extent of over 400,000 tons annually. This Company is paying 8% on its Capital Stock and can, with increased working capital, pay from net profits the 7% Preferred Dividend of the Canadian Coal Co. Limited.

Welsh and Scotch Anthracite and Coke can be handled in large quantities at a good margin of profit, thus increasing the earning powers, and this end of the business can be made a very profitable branch of the organisation.

LOCATION

In addition to the above the mines are equipped with all necessary wotking equipment for production on a modest basis.

The areas described are situated in the Cumberland Coal Fields; the farthest being 141 miles northerly by rail (C.N.R.) from Halifax, N.S., near Amherst and Oxford, N.S., which is the center of the Maritime Provinces. The properties border directly on the Bay of Fundy waters where shipment by water can be made direct from the mines to all Southern and Western points. The Oxford, N.S., areas are within 20 miles of Pugwash, N.S., by rail (C.N.R.) where water shipments can be made to Newfoundland, all Gulf and all St. Lawrence Ports and into Canadian Lakes via St. Lawrence Canals. All areas are directly served by rail.

The port of Pugwash, N.S., is within 50 miles of the present operating mines which offer good facilities for summer water shipments. Halifax is an all year port with every facility for the shipment of coals and one of the most important on the North Atlantic.

VALUATION OF ASSETS

The property has been inspected and favourably reported upon by R. J. Bell who has had 20 years experience as Manager with leading Canadian Coal Companies; by E. Lichtenberg, A.R.S.M., M.I.M.M., Consulting Engineer of London, England; by Col. Rene Cellier, I.C.M., of Paris, France; and A. V. Cameron former Government Inspector of Mines for Nova Scotia.

From their reports and deductions it is estimated the valuation of proven Coal Fields at Fundy and Strachcona, Boston, and Jubilee amounting to 55,000,000 tons at .10c per ton, we arrive at the

total of	$5,500,000.00
Present equipment and machinery at to-day's valuation installed	144,500.00
Total valuation	5,644,500.00

Coal in the ground is usually valued at 25c. per ton.

ESTIMATED PRODUCTION

The additional working capital as provided by the present Issue will fully equip the mines to produce 550,000 tons annually. By working double shift with the same equipment the above tabulated production could be doubled.

ESTIMATED PROFITS

The present selling prices are $4.10 to $5.60 per ton loaded on cars at the mines and the cost of production is $3.03 per ton loaded on cars. Based on the volume of business in sight, it is conservatively estimated that net profits, after allowing for administration, production and mining operation costs, will amount to $608,000 Placing a valuation on the present equipment along with what new equipment would be purchased at $350,000.00 and allowing 10% depreciation on same; 10% on capital for sinking fund to retire preferred shares; 7% dividend an Preferred shares; 8% for a contingent reserve, extraordinary maintenance, annual development and $1.50 a share on the Common stock there is left for working capital and to be carried forward $117,500.00, plus net profits from Coal Sales Limited.

MANAGEMENT

Will remain with those who have been associated with these mines for the past number of years, and who have brought same up from a very small beginning to the present stage of efficiency and who now propose this expansion development, and this consolidation will work for the decided advantage and benefit of the shareholders.

It is proposed to make application in due course for the listing of these shares on a recognized stock exchange.

We offer these securities for delivery, if, as and when issued and received by us, subject to the approval of Counsel, Henry Stewart, Smith & McLeave, Halifax, N.S.

Price: $25 per Share

with a bonus of 1 share of common stock with each 4 shares of preferred.

INTERNATIONAL FINANCE COMPANY
486 St. John Street, Montreal — *Marquette 4803*

The statements as contained in this advertisement are not guaranteed but are based upon information which we believe to be reliable and upon which we acted in purchasing these securities.

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CANADIAN STOCK AND BOND QUOTATIONS

Stock Market Record

WEEK ENDING JULY 3

	Div. Rate	Yield June 30	High for wk.	Low for wk.	Close July 3	Close June 26	Sales for wk.	Range 1928 High	Range 1928 Low
Banks—									
Commerce	12+1	4.48	290	280	290	280	67	335	277
Dominion	12+1	5.03	258	258	258	251	2	280	250
Can. Nationale	10	5.15	194	190	194	190	30	220	185
Imperial	12+1	5.09	255	252	252	252	156	265	245
Montreal	12+2	4.06	345	340	345	340	71	420	334
Nova Scotia	16	4.26	376½	374	376	380	38	410	374
Royal	12+2	3.80	375	360	375	361¼	192	440	330
Standard	12	4.87	250	240	250	235	83	260	235
Toronto	12+1	4.14	314½	310	314	300	17	340	280
Paper—									
Abitibi, com. (n.p.)	4	6.50	63	59¼	62¾	59¾	413427	89¾	47
Do. pref.	7	5.64	..	...	...	...	...	130	124
Do. pref.	6	5.88	102	102	102	102	655	103	96¾
Belgo Can., pref.	7	6.66	105	105	105	105	1	110	105
Brompton (no par)	$2	4.08	49	47	47	48⅛	515	71	44¼
Can. Pr. & Paper	.	...	37⅝	34	35½	35¼	5177	55	32¾
Fraser, com.	$1	1.56	64½	62½	63½	61¼	400	93	52
Int. Pap., c. (n.p.)	$2.40	3.30	75	71	73⅛	70¼	52900	84⅞	66
Do. pref.	7	6.60	..	...	...	...	...	108	105
Pt. Alf. P., c. (n.p.)	.	...	85	80	85	75	340	150	71
Do. pref.	7	7.00	..	...	...	...	...	108	100
Price Bros., com.	2	2.35	85¼	80	83	82½	601	120⅜	75
Do. pref.	6½	6.16	105½	103⅜	105½	104	45	108	103
Smith, Howard, com.	.	...	..	...	...	...	...	165	71
Do. pref.	8	...	..	...	...	...	...	119	115
St. Maur. V., pref.	7	7.07	99	99	99	99	20	105½	99
Wayagamack (n.p.)	$3	2.77	108	89	108	89	545	127¼	88
Steel and Steel Industries—									
B.E. Steel, com.	.	...	6½	5	6½	5	15	8½	1
Do. 1st pref.	.	...	42¼	42	42¼	42¼	150	48¼	22
Do. 2nd pref.	.	...	8½	7½	8	8½	630	11¼	3½
Can. Car & Found., c.	.	...	47	46	47	44	265	61¼	42
Do. pref.	7	7.56	92½	91¾	92½	94	70	97½	90
Can. Fairbanks, pref.	6+3†	5.94	..	...	...	...	...	103	101
Can. Forgings, com.	.	...	..	...	...	...	...	32	15
Do. pref.	5†	...	..	...	...	...	...	97	65
C.G.E., c. (par $50)	.	...	..	...	...	...	...	115	70½
Do. pref. (par $50)	7	5.83	61½	60	61½	62	109	62½	58
Can. Iron, com.	.	...	..	...	...	...	...	26	25
Do. pref.	4	5.09	..	...	...	...	...	80	60½
Can. Locomotive, com.	.	...	..	...	...	...	...	40	35
Do. pref.	7	8.75	..	...	...	...	...	87	75
Dominion Bridge	$2.60	3.00	86¾	83	86	83½	8563	97	61½
Dominion Coal	.	...	..	...	...	...	...	98	75
Dominion Iron, pref.	.	...	..	...	...	...	...	12	5
Dom. Steel Corp., pref.	.	...	..	...	...	...	...	76¼	44½
East. Steel Pro. (n.p.)	.	...	32	32	32	32	55	34	23
Do. pref.	7	7.14	98	97½	98	95	40	99	94
Gotfredson, c. (n.p.)	.	...	..	...	...	...	...	15	5
Ford Motor	15	...	..	...	...	...	...	570	570
Hayes Wheel, c. (n.p.)	.	...	29¾	27½	29¾	29	390	31½	21
Do. pref.	7	7.21	96½	96½	96½	97	25	100	93½
Massey-Har., c. (n.p.)	.	...	42⅜	38⅛	42	37½	9819	47¼	36¾
Do. pref.	7	6.33	110½	109	110	110	216	110½	107
Kelvinator, c. (n.p.)	.	...	8½	8	8	9	65	12¾	5
Do. pref.	7	8.04	..	...	...	...	...	88	65
McKin. Ind., c. (n.p.)	.	...	43½	43½	43½	44	50	47	27¾
Do. pref.	7	7.14	98	97	97½	98	160	99¾	97
Do. Vot. Trust	.	...	44	42	43	45	200	46	26
N.S. Steel, pref.	.	...	..	...	...	...	...	30	25
Ont. Steel, c. (n.p.)	$1.50	5.00	..	...	...	...	...	40	30
Do. pref.	7	5.83	..	...	...	...	...	120	120
Page Hersey, c. (n.p.)	$3	3.01	100	97½	98	96	1245	108	85
Do. pref.	7	3.50	200	197	200	189	35	212	171
Pressed Metals, c.	$3+25c	4.64	70	70	70	67	200	72½	50
Do. pref.	7	7.12	..	...	...	...	...	105	95
Russell Motor, com.	4	5.71	..	...	...	...	...	72	56½
Do. pref.	7	6.91	101¼	201	101	101	11	101¼	97½
Steel of Canada, com.	7	3.33	210½	190	200	185	1911	240	178
Do. pref.	7	3.58	200	185	200	185	246	220	160
Milling, Foodstuffs and Merchandising—									
Alta. Pa. Gr., c. (n.p.)	.	...	64	56	61	55	860	70½	48
Do. pref.	7	7.03	100	98	100	98½	331	102	96½
Arnolds, c. (n.p.)	.	...	..	...	...	...	...	20⅛	5¾
Do. pref.	.	...	..	...	...	...	...	87	70
Atlan. Sug., c. (n.p.)	.	...	18½	18½	18½	17	5	27½	15½
Do. pref.	.	...	..	...	...	...	...	85½	70
B.C. Fish., c. (n.p.)	.	...	17	16	16½	17	710	20¼	6¾
Do. pref.	.	...	63	63	63	63	20	77	46
Can. Bak., c. (n.p.)	.	...	42	41	41	42	135	42	37
Do. pref.	7	6.65	105¼	104¼	104¼	104¼	30	107	102½
Can. Bread, c. (n.p.)	$6	3.79	..	...	...	...	...	170	153
Do. pref. (A)	7	5.78	121	120	121	120	80	124	115
Do. pref. (B)	7	6.42	112	109	109	108½	107	112¼	106
Can. Canners, c. (n.p.)	.	...	18	17½	17½	17½	245	23	17
Do. 1st pref.	6	6.66	90½	90	90½	90	141	94	88½
Do. 2nd pref.	60c	2.85	20¾	20½	20¾	20¾	660	25	19
Canadian Salt	8	4.77	..	...	...	...	...	170	154
Christie Br., c. (n.p.)	$1.20	1.48	81½	79½	81½	80	47	131½	79½
Cuban Can. Sugar, c.	.	...	2	2	2	2	15	3½	1½
Do. pref.	.	...	..	...	...	...	...	30	23
City Dairy, c. (n.p.)	$2	3.70	54	53	54	53	565	60	44⅜
Do. pref.	7	5.42	..	...	...	...	...	130	121
Dom. Stores (n.p.)	$3	2.50	120	118	120	120	26	137	104½
Fanny Farmer	$1	2.85	35	35	35	37½	5	41	35
Ham. Dairies, c. (n.p.)	.	...	42	42	42	42	50	50	35
Do. pref.	7	6.82	102½	102½	102½	102½	10	106	102
Hunts, Ltd., c. (n.p.)	$1	2.56	..	...	...	...	...	46	37
Do. pref.	7	7.00	..	...	...	...	...	102	98¼
Inter. Milling, pref.	7	6.39	..	...	...	...	...	111	107½
L. of Woods, c. (n.p.)	$3.20	5.51	58	55	58	54¼	1250	61¾	51
Do. pref.	7	5.73	..	...	...	...	...	125	120
L. Secord, c. (n.p.)	.	...	42½	42½	42½	42½	5	48	37
Do. pref.	7	5.17	..	...	...	...	...	145	121
Loblaw, c. (n.p.)	$2	2.35	85	84	85	85	210	118	75
Do. pref.	7	5.18	135⅛	135	135	135	65	175	133
Maple Leaf Mill., c.	.	...	102	100	100	100	90	128⅝	100
Do. pref.	7	6.26	111¾	111¾	111¾	112	5	112	103
Muirheads, c. (n.p.)	60c	6.00	..	...	...	...	...	16½	9⅞
Do. pref. (p. $10)	75c	5.76	..	...	...	...	...	17½	13
Nat. Grocers, pref.	8	8.24	97⅞	97	97	97	80	100	97
Ogilvie Fl., c. (n.p.)	$5	1.26	..	...	...	...	...	425	385
Do. pref.	7	5.34	131	130	130	130	25	143	130
Pure Gold Mfg. (n.p.)	$2	6.89	29⅞	29	29	30	30	30	22
Shred. W., c. (n.p.)	$3	4.72	64	63	63	64	292	78⅞	62½
Stanfords, c. (n.p.)	$1	6.66	..	...	...	...	...	27¼	12
Do. pref.	7	7.65	..	...	...	...	...	96½	91½
Muirheads, Rights	.	...	26	5	8	20	349	45	5
St. Law. Flour, c.	.	...	..	...	...	...	...	52¼	35
Do. pref.	7	7.33	..	...	...	...	...	96	95
Viau Bisc., c. (n.p.)	.	...	..	...	...	...	...	33	15
Do. pref.	7	8.04	..	...	...	...	...	89	84
W. Can. Fl., c. (n.p.)	$1.40	3.70	38	35	38	35	103	50	31½
Do. pref.	6½	5.93	109⅝	105	105	106	27	109⅝	104
W. Groc., c. (n.p.)	$1	4.25	23	23	23	23½	5	25	19
Do. pref.	7	8.43	83	83	83	85	5	85¼	75
Weston, com.	.	...	68	67	67	68	130	68	48
Do. pref.	7	6.89	102	101½	102	101	65	104	100
Utilities—									
Bell Telephone	8	4.81	166	161	164	165	294	175	154
Calgary Power	5	4.46	..	...	...	...	...	112	100
Consumers Gas	10	4.92	203	201	202	202	23	210	196
East Koot. Pr. (n.p.)	.	...	..	...	...	...	...	27	25
Do. pref.	7	6.96	..	...	...	...	...	100½	98
Int. Util. (A) (n.p.)	$3.50	7.56	46½	45	45½	45½	1152	51½	44
Do. (B) (n.p.)	.	...	17	16	17	15¼	172[illegible]	19½	6½
Jamaica Pub. Ser., pf.	7	6.25	112	112	112	112	15	115	105
Laurentide Power	5	1.98	252	252	252	250	25	275	130
Mackay, com.	7	5.83	..	...	...	...	...	133	109½
Do. pref.	4	5.17	76½	76½	76½	77¼	5	83	66
Mexican Light, c.	.	...	..	...	...	...	...	112	61½
Do. pref.	7	...	..	...	...	...	...	80	77
Mont L H & P (n.p.)	$2	1.85	108	101½	107	102	2118	120	89
Mont. Teleg. (p. $40)	8	5.81	..	...	...	...	...	56½	53¼
Nor. Mex. Pr., c.	4	4.19	95¼	91	91¼	97	280	110	80
Do. pref.	7	6.93	..	...	...	...	...	105	97
Ot. & Hull P., c. (n.p.)	.	...	..	...	...	...	...	70	35
Ott. L. H. & Pr., c.	6	4.58	131	131	131	131	30	136	128½
Do. pref.	6½	6.19	106	105	106	105	25	109	103½
Power Corp., c. (n.p.)	.	...	74	66¾	73¾	66¼	14505	98	65½
Do. pref.	6	6.00	101	100	101	100	7	103½	99
Do. Rights	.	...	7⅝	3¾	7⅝	4½	16771	14	3¼
Quebec Power, c.	$2	2.22	90	83½	89¼	84	5242	115	82
Do. Rights	.	...	9¼	8	9	8	10819	13⅜	7⅛
Shawinigan (n.p.)	$2	2.06	97	92½	95½	92	6556	109¾	84
S. Can. Pr., c. (n.p.)	4	2.75	145	145	145	145	25	180	114
Do. pref.	6	5.53	109	108	108	108⅛	46	109½	100
West Koot. Pr., pref.	7	...	..	...	...	...	...	106½	106½
Transportation—									
Can. Pacific Rly.	10	4.91	203¾	203	203¾	199	55	221	198
Can. Steam., c. (n.p.)	.	...	38	36½	38	37	155	47½	31
Do. pref.	6	6.31	95¼	93	94	94¼	218	98½	89
Do. Voting	.	...	36	35	35	36½	290	45	31
Tractions—									
Barcelona (par $50)	1	...	..	...	...	...	...	78	60
Brazilian, com. (n.p.)	.	...	58¾	56	58½	56	86478	64½	50½
Do. pref.	6	3.00	..	...	...	...	...	200	160
Detroit Un. Rly.	.	...	..	...	...	...	...	2½	1
Duluth-Superior	.	...	8	8	8	8⅛	20	22	7
Montreal Trams.	10	5.05	198	196	196	200	15	212	190
Ottawa Traction	.	...	65½	65⅛	65½	62	145	72	60
Porto Rico Rlys., c.	$3	...	..	...	...	...	...	70⅜	59
Do. pref.	7	6.93	..	...	...	...	...	101	97
Twin City, c.	4	8.79	45½	43¾	45½	45½	220	55	42
Do. pref.	7	6.79	103	103	103	105	5	106	102¾
Winnipeg Elec., c.	2	1.81	110	105⅝	108	105	1853	128¾	98
Do. pref.	7	6.33	110⅝	109⅝	110⅝	110	326	115	105½
Mont. Trams., Rights	.	...	7½	5	5	7½	671	10	5
Textiles—									
Can. Conn. Cot., pref.	4	4.79	83½	82½	83⅛	83	340	88	66
Can. Converters	7	6.36	110	110	110	110	35	127	101
Can. Cotton, com.	8	6.66	..	...	...	...	...	152	120
Do. pref.	6	6.09	..	...	...	...	...	104½	98½
Can. Woollens, com.	.	...	..	...	...	...	...	25	10
Do. pref.	.	...	80	80	80	80	20	89¼	72
Cosmos Imp., c. (n.p.)	.	...	21½	21	21	20½	225	27½	17
Do. pref.	7	7.07	100	99	100	98	25	101	97
Dom. Tex., c. (n.p.)	$5	4.54	110	107½	108½	107	232	134½	103¾
Do. pref.	7	5.64	..	...	...	...	...	131	118
Monarch Knit, c.	.	...	..	...	...	...	...	x39½	7½
Do. pref.	.	...	..	...	...	...	...	70	45¾
Montreal Cottons, c.	6	5.21	115	115	115	125	38	128	115
Do. pref.	7	5.83	..	...	...	...	...	125	118
Penmans, c. (n.p.)	4	3.77	106	106	106	100	9	117⅞	97½
Do. pref.	6	5.68	..	...	...	...	...	106½	100
Wabasso Cot. (n.p.)	6	5.71	..	...	...	...	...	133	105
Zimmerknit (n.p.)	.	...	20	20	20	18	5	30	18
Do. pref.	7	7.54	93	92¾	93	93	25	105	91
General Industries—									
Am. Sales, c. (p. $25)	4	5.09	..	...	...	...	...	82	71
Do. pref.	7	6.48	111	108	111	106	75	112	105
Asbestos Co., c. (n.p.)	.	...	32½	30	32½	30	2646	39¼	29
Do. pref.	7	7.67	93	91¼	92	92	271	97⅜	90
Brant Cd., c. (p. $25)	8	12.90	15½	15½	15½	18¼	2	21	14
Building Prod., com.	$1.20	3.40	35¼	33¾	35¼	34	765	47	32½
Do. pref.	7	6.63	105	105	105	105½	5	106	102½
Burt, F. N., c. (p. $25)	$3	4.28	70	69	69½	70	195	76	63
Canada Cement, c.	.	...	29¾	28	28½	28¾	939	35¾	25
Do. pref.	6½	6.51	100	99	99⅞	99	421	101¼	97½
Can. Bronze, c. (n.p.)	$4	4.49	89½	88½	89½	87	140	93⅞	67
Do. pref.	7	6.33	110½	110	110	110	205	111½	109½
Can. Dredge, c. (n.p.)	.	...	43	42	43	42	65	43	31
Do. pref.	7	5.51	127	126	127	125	50	127	108
Conduits, c. (n.p.)	.	...	..	...	...	...	...	80	35
Do. pref.	7	6.86	..	...	...	...	...	102	101
C. Smelt. (p. $25)	10+40	4.88	263½	254½	256	260	1603	289½	251
Crow's Nest Coal	6	10.34	..	...	...	...	...	62	55
Dom. Glass, c.	7	5.18	136	135	135	131	75	144	125
Do. pref.	7	5.78	..	...	...	...	...	128	119
Dom. Rubber, pref.	7	7.00	100	100	100	100	12	100	99
E. Theat. (p. $25)	$2	7.14	..	...	...	...	...	30¾	25
Do. pref.	7	7.03	..	...	...	...	...	100	95
Famous Players, c.	.	...	..	...	...	...	...	100	40
Do. new	.	...	23	22½	23	23	221	24	22½
Do. pref.	8	7.58	..	...	...	...	...	106	102
Gilman, com.	6	5.21	..	...	...	...	...	120	109
Do. pref.	7	5.83	..	...	...	...	...	130	113
Goodyear Tire, com.	$5	3.26	153	143	151	142	693	168	128½
Do. pref.	7	6.46	108½	107	108½	107¼	130	110	104
Gypsum & Alabas., c.	$3	4.41	68	67	68	66	306	73	51
Ham. Un. Theatres, c.	.	...	14½	14	14	13½	324	21½	7
Do. pref.	7	7.69	91	91	91	90¼	15	97½	82
Holt, Renfrew, c.	$3	2.72	..	...	...	...	...	120	80
Do. pref.	7	7.00	..	...	...	...	...	100	92
Int. Nic., c. (p. $25)	$2	2.10	95.50	91.75	95.00	92.25	35866	103¾	73¾
King Edward Hotel	$6	8.98	..	...	...	...	...	70	50
Lyall Construc.	$3	4.05	74	69¾	73	70	3351	76	55
Loew's, com.	.	...	..	...	...	...	...	40	30
Do. pref.	7	7.00	..	...	...	...	...	102	100
National Brick, com.	.	...	..	...	...	...	...	9	4
Do. pref.	6	9.23	..	...	...	...	...	75	60
Pacific Burt, com.	6	5.21	..	...	...	...	...	137	113
Do. pref.	7	5.83	..	...	...	...	...	136	120
Photo Engrav. (n.p.)	$2	5.71	35	34½	35	34	115	41¼	33
Port Hope San., com.	4+2	2.66	..	...	...	...	...	265	190
Do. pref.	7	4.24	..	...	...	...	...	195	120
Rogers, Wm., com.	4	5.71	70	70	70	71½	30	75	65
Do. pref.	7	6.66	..	...	...	...	...	105	100
Sher-Williams, com.	6	3.70	..	...	...	...	...	181	162
Do. pref.	7	5.55	126	126	126	128¼	5	129	120
Simon & S., c. (n.p.)	.	...	38	38	38	38	255	45	35
Do. pref.	7	7.00	101	100	101	100	1415	101¾	99½
Standard Chem., com.	$2	6.34	..	...	...	...	...	34	24
Sterling Coal	.	...	..	...	...	...	...	19	15
Tooke Bros., com.	.	...	..	...	...	...	...	20	15
Do. pref.	7	10.00	70	70	70	70	7	78	67
Tuckett Tobacco, c.	4	3.63	..	...	...	...	...	110	98
Do. pref.	7	5.78	..	...	...	...	...	121	114
Woods Mfg., com.	.	...	..	...	...	...	...	38	38
Do. pref.	7	8.75	80	80	80	78	5	80	70
Beverage—									
Brading Brew. (n.p.)	$2	7.14	..	...	...	...	...	32	26½
Brew. & Dist. (n.p.)	40c	...	16	16	16	16½	50	20	14
Can. Brew. (n.p.)	$2	6.06	34	33	34	33	220	40	29
Canada Dry (n.p.)	$3	3.89	77½	77	77½	76	100	87	63¾
C. Ind. Alc. (n.p.)	$1.52	3.53	45	41½	44½	41	4611	50½	31¼
Do. (B)	.	...	42¼	38	42	38½	152	47½	36½
Can. Malting (n.p.)	$1.50	4.68	34¼	32½	33¾	33⅛	1104	43½	31¾
Can. Wineries	.	...	16½	15½	15½	15	145	23	14
Carling Brew. (n.p.)	$2	6.25	32¼	31	32	31½	670	44	30
Com. Alc. (n.p.)	$1	3.84	26	26	26	27	110	55¼	19¾
Cosgrave B. (p. $10)	6	7.50	8¼	7¾	7¾	7¾	150	10½	7¾
Distil-Seagram (n.p.)	.	...	19	18	18	18	1560	24½	16½
Federal Distil. (n.p.)	.	...	2¾	2½	2¾	2⅞	655	5½	2½
Chas. Gurd, c. (n.p.)	$2	2.29	87	84	87	81	401	114	81
Do. pref.	7	6.36	110	110	110	110	15	110	106
Hiram Walker (n.p.)	$2	3.44	58	55	57¼	55	2640	69	54
L. Ont. Brew. (n.p.)	.	...	12	10	10	11	300	30	10
Nat. Brew., c. (n.p.)	4	3.11	130	121	130	120	12920	140	112½
Do. pref.	7	5.38	130	130	130	130	15	130	122
Nat. Distilleries	.	...	11½	11½	11½	10½	10	20¾	10
Orange Cr., c. (n.p.)	.	...	..	...	...	...	...	25¾	20
Do. pref. (A)	7	6.79	..	...	...	...	...	106	102½
Do. pref. (B) (n.p.)	$2	4.34	..	...	...	...	...	51	45
Pelissiers (n.p.)	.	...	16	15	16	15	310	18½	13
Do. pref.	7	7.00	100	100	100	102¼	15	103	100
Toronto Brew. (n.p.)	.	...	9⅝	9¼	9⅝	9½	50	10½	9¼
Oil—									
Ajax	.	...	.57	.51	.52	.53	14600	1.0	.43
Beacon Oil	.	...	..	...	...	...	...	20	13¼
Brit. Am. Oil (n.p.)	$1	2.63	38	36¼	38	36½	5258	42¼	31¾
Can. Oil, c. (n.p.)	$1	1.97	50¾	50	50	50½	60	68½	44
Do. pref.	8	5.92	..	...	...	...	...	170	128
Continental Oil	.	...	..	...	...	...	...	22	17
Foothills Oil	.	...	5.50	4.50	4.50	5.00	881	6.35	1.50
Home Oil	.	...	3.50	2.35	3.20	2.50	42270	...	...
Imperial Oil (n.p.)	$1.50	2.22	67½	64½	67	64¾	6032	72½	56
Int. Pete. (n.p.)	75c	1.87	39¾	38½	39	39	2766	44⅞	34½
McColl, c. (n.p.)	.	...	30	28½	30	28½	2903	36	28
Do. pref.	6	6.97	87½	86	86	88½	70	96	85
North Star, c. (p. $5)	.	...	4.00	4.00	4.00	4.50	8	5.00	2.25
Do. pref. (p. $5)	7	...	..	...	...	...	...	6.50	5.00
Petrol Oil	.	...	..	...	...	...	...	21⅞	14
Super Pet., c. (new)	.	...	36	35	35	36	1100	39	34
Do. Voting Trust	.	...	37½	36½	37	37	80	38	35½
Do. pref.	7	6.86	102	102	102	102	20	105	97
Trojan Oil	.	...	..	...	...	...	...	2.50	1.00
Volcanic Oil	$1.40+5	4.00	39	37	39	37	88	41	29
Vacuum Gas	.	...	8	8	8	6	1000	12½	5½
Trust and Loan—									
Can. Permanent	12	4.95	..	...	...	...	...	251	230½
Central Canada	12+6	...	..	...	...	...	...	255⅛	255⅛
Col. Invest. (p. $10)	.	...	..	...	...	...	...	5	4
Econ. Invest. (p. $50)	4	3.50	..	...	...	...	...	61	56
Huron & Erie	8	4.70	..	...	...	...	...	170	152
Landed Banking	10	4.92	..	...	...	...	...	205	200
Mont. Loan (p. $25)	12+1	6.56	..	...	...	...	...	49½	48
National Trust	12+1	3.64	357	357	357	357	2	370	305
Ont. Loan (par $50)	12	4.44	..	...	...	...	...	137	128
Real Estate Loan	7	6.08	..	...	...	...	...	115	110
Toronto Gen. Trusts	12	4.25	..	...	...	...	...	300	275
Toronto Mge. (p. $50)	12	4.87	..	...	...	...	...	123	114
Union Trust	7+1	5.51	..	...	...	...	...	150	135

CURB AND UNLISTED MARKETS

	Div. Rate	Yield June 30	High for wk.	Low for wk.	Close July 3	Close June 26	Sales for wk.	Range 1928 High	Range 1928 Low
Asch, com. (no par)	.	...	..	...	...	...	...	30	22
Do. pref.	7	8.04	..	...	...	...	...	93	87
Attendu Eng. (p. $1)	.	...	13½	12½	13¼	12½	360	21	11
Belding, com.	6	5.45	..	...	...	...	...	110	80
Do. pref.	7	6.36	..	...	...	...	...	110	94
Can. Celanese (n.p.)	.	...	55	55	55	55	35	78	53
Do. pref.	.	...	86	85	86	83	105	103½	83
Can. Vickers (n.p.)	.	...	36	33	33	33	120	49⅛	33
Do. pref.	7	7.46	93¾	93¾	93¾	94	5	96½	93¾
Can. Power	.	...	35	34½	35	33	50	54¾	33
Can. Light & Power	.	...	..	...	...	...	...	49	39
Can. Marconi	.	...	6¼	6¼	6¼	6½	10	8¾	6¼
Can. Nor. P., c. (n.p.)	.	...	..	...	...	...	...	90	65
Do. pref.	7	6.73	104	104	104	104	45	107½	100
Cockshutt, com.	.	...	27½	24½	26¼	26¼	4330	31½	24½
Do. pref.	.	...	..	...	...	...	...	143½	105¾
Cons. Food Products	.	...	8	8	8	8	180	14½	5
Cooksville Sh. Brick, c.	.	...	..	...	...	...	...	14	14
Do. pref.	4	7.27	..	...	...	...	...	60	55
Dom. Engineering	$3	3.65	82	79⅞	81½	79	1705	82½	52
Dom. Fdy. & Steel, c.	.	...	..	...	...	...	...	20	5
Do. pref.	.	...	..	...	...	...	...	42	32
Donnacona	.	...	30	30	30	28	10	47	25
Dom. Power, c.	.	...	45	45	45	45	35	66	45
Do. pref.	7	6.57	..	...	...	...	...	106⅜	105
Can. Vinegar	.	...	27½	27	27¼	27	472	27½	27
Dryden Paper (n.p.)	.	...	51½	46	47½	46¼	8585	56	33
Durant Motor (p. $10)	40c	5.71	7½	7	7	7	226	10¼	6
E. Dairies, c. (n.p.)	.	...	45	42	45	43½	124	60¾	42
Do. pref.	7	6.86	..	...	...	...	...	102	99
Eng. Elec., c. (n.p.)	.	...	22	21	22	20	91	31	11
Do. pref.	.	...	101	100	101	102	13	112	75
Farm. Dairy, c.	50c	2.27	22	22	22	22	175	27	17
Do. pref.	7	6.36	110	110	110	110	5	110	105
For. Pr. Secs. (n.p.)	.	...	42	40	42	41	645	56¼	38½
Gt. W. Sad., c. (n.p.)	.	...	23	23	23	23	245	29½	21
Do. pref.	6½	6.63	..	...	...	...	...	99¾	97
Gen. St. Wares (n.p.)	.	...	33	29⅞	31¾	28¾	2350	38¾	28½
Do. pref.	7	6.86	..	...	...	...	...	102	101
Freiman, c. (n.p.)	.	...	..	...	...	...	...	20	19¾
Do. pref.	6	6.66	..	...	...	...	...	90	90
Hamilton Cot., pref.	$2	5.88	34	34	34	34	25	39	32½
Hinde & Dauch (n.p.)	$1	3.63	27¾	27	27¾	27	237	33	27
Hydro-Electric (n.p.)	.	...	56	54	56	51	170	85	49½
Illinois Power, pref.	7	6.73	104	104	104	104	5	106	99¼
Imp. Tob., c. (p. $5)	6+2	3.60	11	10½	11	10¾	2235	11⅜	8⅛
Inter. Power, com.	.	...	32	32	32	32½	35	43¼	32
Do. pref.	7	7.14	98	98	98	98	64	101⅛	95½
Kemsley Millburn	.	...	..	...	...	...	...	20	15⅝
Loew's London, com.	3	...	..	...	...	...	...	5¾	4
Man. Power (n.p.)	$2	2.22	90	90	90	85	140	123½	83
Mercury Mills (n.p.)	.	...	41	40	40	40½	17	41	35
Do. pref.	6	6.66	..	...	...	...	...	96	90
Mitchell, J. S.	.	...	50½	50½	50½	51	30	55	38
Do. pref.	7	6.79	..	...	...	...	...	105	99½
Mitchell, Robt. (n.p.)	.	...	28	28	28	28	20	40½	27
Do. pref.	7	6.73	105	104	105	105	14	110	95
Montreal Ex. (p. $30)	.	...	25¾	24¾	25½	24¾	325	36	23½
Mount Royal, com.	.	...	..	...	...	...	...	x6	3
Do. pref.	6	...	..	...	...	...	...	52	50
Municipal Ser. (n.p.)	.	...	10	9	9½	9	85	17	8
Ott. Riv. Pr. (n.p.)	.	...	..	...	...	...	...	38	25
North Bak. (no par)	$2	4.76	43	40½	42½	41	1013	54	38
N.S. Car, c. (n.p.)	.	...	39¼	37	39	38½	365	49	36½
Paton Mfg., c. (n.p.)	.	...	..	...	...	...	...	68	55
Do. pref.	.	...	..	...	...	...	...	103	102
Perfection Glass	.	...	2¾	2½	2¾	2½	320	8¾	2
Regent Knitting	.	...	..	...	...	...	...	33	21
Reliance Grain (n.p.)	.	...	45	38	45	42	265	55	38
R.S. Mills (n.p.)	$2	5.97	34	33	33½	33	112	39	30¾
Robinson Cone (n.p.)	.	...	..	...	...	...	...	34½	25½
E. L. Ruddy, pref.	7	7.00	..	...	...	...	...	101	97½
Service Stn. Equip.	$1.60	4.21	38	36	37½	37	277	48	33¾
Simpson, Robt., pref.	6	5.88	..	...	...	...	...	105	102
Sprucolite (n.p.)	.	...	46	45	46	40½	110	59	40½
Standard Clay	.	...	..	...	...	...	...	34½	33
Standard Pav. (n.p.)	.	...	29	26½	28¾	26½	2820	29¼	24½
Tamblyn, c. (n.p.)	.	...	32	30	32	30	111	36¼	21
Do. pref.	7	7.29	96	94½	95½	95	90	97	90
Tip Top Tailors (n.p.)	.	...	30½	30	30½	30	125	32¼	30
Do. pref.	7	7.03	99	98	98	99½	55	100	98
United Fuel, c. (n.p.)	.	...	30	30	30	30	53	36	25
Do. pref.	6	6.68	89¾	89¼	89¾	89½	40	93	89¼
United Secs., com.	.	...	..	...	...	...	...	64½	50
Do. pref.	6	5.71	105	105	105	105	87	105	100
Waterloo Mfg.	.	...	17	16¾	17	16¾	60	20	16

†Arrears.
xQuotations for 1927. No sales recorded in 1928 to date.

Bond Movements of the Week

Week Ending July 3

Bonds	Int. Rate	Due	Yield	Range 1927 High	Range 1927 Low	Range 1928 High	Range 1928 Low	Ask	Latest Price Bid	Latest Price High	Low
Asbestos, gen. mge.	6	1956	6.15	98	88	98	97	97½	96	98	...
Can. Pr. & Pap. debs.	5	1956	5.45	..	..	99½	93	..	..	93½	93
Montreal Tram. A	5	1955	5.06	100	94	101¼	98½	100	99	99	98⅝
War Loan	5	1931	4.35	102.70	101.00	102.85	101.55	101.85	101.55	101.80	101.75
Do.	5	1937	4.38	106.95	102.95	106.70	104.00	104.90	104.10	104.20	104.00
Victory Loan	5½	1933	4.70	106.90	103.05	106.50	103.10	103.65	103.40	103.45	103.15
Do.	5½	1934	4.91	105.75	102.80	105.85	102.30	103.00	102.85	103.00	102.30
Do.	5½	1937	4.30	111.15	106.85	110.95	107.80	108.65	107.80	108.60	107.80
Do., Refund	5	1928	5.00	101.50	99.75	100.60	99.70	100.30	99.80	99.95	....
Do.	4½	1940	4.45	103.40	96.50	102.90	99.40	100.00	99.20	100.00	99.40
Do.	5	1943	4.55	106.40	102.30	106.10	103.60	104.40	103.80	103.85	103.65
Do.	4½	1944	4.45	103.00	96.60	103.05	99.25	100.10	99.20	99.90	....
Do.	4½	1946	4.41	102.70	96.70	103.15	100.15	101.20	100.30	101.00	100.25
Do. Renewal	5½	1932	4.90	104.40	101.85	105.80	101.40	102.15	101.85	101.80	101.70

A.J. Pattison, Jr. & Co.
LIMITED
INVESTMENT BANKERS
BONDS AND SHARES
"Specialists Unlisted Bonds and Stocks"
219 Bay Street, (Ground Floor) Toronto
Elgin 5101-5102-5103 5104-5105-5106

Unlisted Stocks

These prices are mostly as at July 4, and while obtained from reliable sources, cannot be guaranteed.

Industrial Stocks	Bid	Asked
A. W. Chase, com.	$ 2.00	$ 5.00
A. W. Chase, pref.	55.00	....
Border Cities, pfd. bonus c.	....	24.00
Brandram-Henderson, com.	27.00	33.00
Brandram-Henderson, pref.	87.00	91.00
Canadian Westinghouse	240.00	....
Canada Machinery, com.	4.00	7.00
Canada Machinery, pref.	28.00	33.00
Can. Paperboard, pref.	90.00	95.00
Caulfields Dairy, com.	20.00	25.00
Copeland Flour Mills, pref.	20.00	....
Dom. Alloy, pf. bonus com.	....	2.00
Dom. Foundries & Steel, c.	12.00	20.00
Dom. Foundries & Steel, pf.	50.00	55.00
Dom. Linens, pref.	16.00	....
Dom. Manufacturers, com.	6.00	11.00
Dom. Manufacturers, pref.	70.00	77.00
Dom. Power, com.	....	50.00
Dom. Power, pref.	105.00	....
Dom. Sewer Pipe, com.	68.00	....
Dom. Sugar, com.	....	29.00
Dom. Sugar, pref.	97.50	....
Dunlop Tire, pref.	100.00	....
Gillett, E. W.	85.00	....
Goodyear Cotton, 7% pref.	100.00	....
Guardian Realty, pref.	60.00	67.50
Huethers Brewing, pref.	....	2.75
King Edward Hotel "A"	87.00	91.00
King Edward Hotel "B"	84.00	89.00
Kingston Shipbuilding, pf.	17.00	20.00
Loew's London, com.	4.50	5.50
Loew's London, pref.	8.00	8.50
Loew's Mansfield, pref.	90.00	....
Milton Brick Co.	16.00	....
Palace Thea. (Mont.) pfd.	95.00	....
Simpson, Robt., pref.	102.00	....
Traymore, pref	19.00	21.00

Insurance	Bid	Asked
British America	55	..
Canadian Fire, full pd.	125	135
Canada Life	975	1000
Canada National	15	..
Casualty of Canada, full pd.	190	200
Capital Life, 20% pd.	26	..
Continental Life, 10% pd.	88	..
Commonwealth Life, 10% pd.	32	37
Commercial Life, 10% paid	21	..
Confederation Life, 10% pd.	120	..
Crown Life, full paid	335	..
Dom. of Can. Guar. & Ac.	375	400
Dominion Fire	140	...
Dominion Life, 50% pd.	440	...
Excelsior Life, 30% pd.	125	...
Federal Fire, 25% paid	42	...
Fidelity of Canada, full paid	145	..
Great West, full paid	590	..
Imperial Life, 90% paid	435	..
Manufacturers Life, 55% pd.	400	450
Monarch Life, 10% paid	47	51
Montreal Life, 20% paid	77	85
National Life, 25% paid	95	105
Ontario Equitable, 10% paid	40	44
Security Life, 50% paid	25	...
Sovereign Life, 25% paid	55	62
Sun Life, 75% paid	2300	2400
Toronto Casualty	..	26
Western Assurance	75	80

Mortgage, Loan, Etc.	Bid	Asked
British Mortgage & Trust	$207.00	$ ....
Capital Trust	70.00	....
Chartered Trust	104.00	110.00
Commercial Finance, com.	22.00	....
Commercial Finance, pfd.	78.00	....
Crown Trust	135.00	....
Debentures & Sec., com.	73.00	....
Debentures & Secs., pref.	73.00	....
Guelph & Ont. Invest.	59.00	....
Lambton Loan & Savings	80.00	....
London Loan & Savings	49.00	....
London & West Trusts	150.00	....
Mfg. Fn. pfd. bonus, c.	4.75	6.00
Midland Loan & Savings	17.00	....
Mortgage Discount, pref.	6.50	7.75
Mortgage Discount, com	.40	.80
Mutual Finance, com.	8.00	....
Mutal Finance, pref.	8.00	10.00
Saskatchewan Mortgage	41.00	....
Peoples Loan & Savings	82.00	....
Sterling Trust Co.	102.00	....
Toronto Finance, pref.	....	3.50
Waterloo Trust & Savings	120.00	....

Club Shares	Bid	Asked
Bayview Golf	$ 25.00	$ 40.00
Lakeview Golf	50.00	70.00
Lambton Golf	....	420.00
Mississauga Golf	35.00	50.00
Rosedale Golf	185.00	215.00
Summit Golf	25.00	45.00
Thistledown Golf	45.00	65.00
Thornhill Golf	65.00	80.00
Toronto Winter Club	....	60.00
Weston Golf	80.00	100.00
York Downs Golf	250.00	285.00

Recent London Quotations	Sales
Calgary Power	117½
Hudson's Bay	123s. 9d.
Hudson's Bay 5% pref.	100
Can. West Lumber	6s.
Standard Chemical, 7%	31½
Dominion Tar	48s.
Mond Nickel	183s. 9d.
Lake Superior	6

Recent Vancouver Quotations	Bid	Asked
B. C. Telephone, pfd., new 6%	105	..
Pacific Coyle, com.	10½	13
Gosse Packing, pref.	...	80

Recent Winnipeg Quotations	Bid	Asked
Beaver Fire Co.	120	..
Can. Fire Ins. Co.	110	..
Home Invest. and S. Assn.	76	78¼
N. Mtge., fully paid	80	..
N. Mtge. 50% paid	25	..
Northern Trusts Co.	50	..
Standard Trusts Co.	33	..
No. Star Oil, com.	4.90	..
No. Star Oil, pref.	...	5.55

Unlisted Bonds

	Bid	Asked
Abitibi Fibre, 6s, 1947	100¼	101
Algoma Steel, 5s, 1962	55½	57½
Alberta Pac. Grain, 6s, 1946	100	101½
Bell Telephone, 5s, 1955	102½	104
Belgo Can. Paper, 6s, 1943	101¼	103¼
Brandram-Henderson, 6s, 1939	90	93
B. C. Pulp and Paper, 6s, 1950	91	93
Calgary Brewery, 6s, 1942	98	99
Calgary Power, 5s, 1940	94½	96
Canada Biscuit, 6½s, 1946	..	98¼
Canada Lt. & Pr. 5s, 1949	94	95
Can. Nor. Power, 5s, 1941	104½	..
Can. Paperboard, 7s, 1937	96½	98½
Can. Steamships, 5s, 1943	101¾	103
Can. Steamships, 5s, 1941	101	102
Davies, Wm., 6s, 1942	96½	98
Dominion Iron, 5s, 1939	73	75
Drummond Invest., 6½s, 1938	100½	102¾
Duke Price, 6s, 1966	104	105
East Kootenay Pr., 7s, 1942	104½	105½
Elec. Development, 5s, 1933	100	101
Fraser Cos., 6s, 1950	102	104
Gatineau Power, 5s, 1956	98	98⅝
King Edward Hotel, 7s, 1944	97	100
Lake Superior P. & P. 6s, 1941	107	108½
Laurentian Pr., 6s, 1936	108¼	...
Laurentide Pr., 5½s, 1946	100¾	102¼
Manitoba Pr., 5½s, 1941	103	104¼
Mont. L. H. & Pr., 5s, 1951	100¾	102
Mont. Pub. Service, 5s, 1942	99½	101
Nor. West. Utilities, 7s, 1938	102	105
Nova Scotia Steel, 5s, 1959	75	76½
Nova Scotia 6% Debs.	44	47½
Ont. Pulp & Paper, 6s, 1931	108¾	110
Ottawa Hull Pr., 6s, 1948	103	105
Ottawa L. H. & P., 5s, 1957	100	101½
Ottawa Trac., 5½s, 1955	102	104
Port Alfred P. & P. 5½s, 1957	97	99
Price Bros., 6s, 1943	105	106½
Prov. Lt. Pr., 5s, 1946	101	102
Rio Tramways, 5s, 1935	96¾	97¾
Sao Paulo Tram., 5s, 1929	99¼	99¾
St. Maurice Valley, 5½s, 1957	97	99
Shawinigan W. & P. 4½s, 1967	94¾	96
Simpson's, Ltd., 6½s, 1945	104¼	106
Southern Can. Pr., 5s, 1955	100	101½
West Kootenay Pr., 6s, 1943	104	105½

NEW YORK CURB

	Close June 20	Close June 27	Close July 3
Can. Marconi	6 1-2	6 3-8	6 3-8
Dom. Stores	115	...	...
Ford Canada	556	555	550
Imp. Oil Can.	64	65 1-8	66 3-4
Inter. Pete.	39	39 1-2	39 1-4
Int. Util. "A"	...	45 1-2	...
Do., "B"	14 3-4	17	16 7-8
Nipissing	4	3 3-4	3 7-8
Noranda	35 3-8	39 3-8	49 1-4
Premier Gold	2 3-16	2 3-8	2 3-8

Alberta Costs Lower

"With cheap land, low taxes, low grain rates and fertilizer, Alberta farmers can not only raise grain at a cost of several dollars an acre lower than those of Washington, but can reach both their eastern and western markets at a much lower cost," stated Carl Laney, State Secretary of the Farm Bureau, at Interstate Commerce Commission hearings at Seattle, Washington. He said that the average cost to the Canadian farmer, including everything up to the time the grain is in the elevator, was $14.70 an acre whereas on the American side of the border line it was $20.58.

Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of July 4	$ 91.6	$ 87.5
Week of June 27	91.3	85.0
Month of July, 1927	70.8	65.1
9 Bank Stocks		
Week of July 4	$295	$290
Week of June 27	294	278
Month of July, 1927	257	251
10 Public Utilities		
Week of July 4	$112	$107
Week of June 27	110	107
Month of July, 1927	97	92

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	7	1	1	9
Paper	7	1	9	17
Steel	11	8	23	42
Foodstuffs	11	11	34	56
Utilities	11	6	15	32
Tractions	4	4	6	14
Textiles	6	1	12	19
Industrials	37	18	53	108
Total	94	50	153	297

Foreign Exchange

NEW YORK FUNDS

	High (Premium)	Low (Premium)	Last year High (Premium)	Last year Low (Premium)
June 28	1-4	15-64	5-32	9-64
June 29	15-64	7-32	1-8	1-8
June 30	15-64	15-64	5-32	1-8
July 2	....	....	....	....
July 3	17-64	15-64	5-32	9-64
July 4	15-64	15-64	5-32	5-32

STERLING, FRANCS and LIRE

	Sterling Close	Francs Close	Lire Close
June 28	4.87 3-4	3.93 3-4	5.25 3-4
June 29	4.87 3-8	3.92 5-8	5.25 3-4
June 30	4.87 15-16	3.92 5-8	5.25 3-4
July 2	4.87	3.92 7-16	5.25 9-16
July 3	4.86 31-32	3.92 1-4	5.25 5-16
July 4	...	...	...

FOREIGN EXCHANGE

Par		June 27	July 4
19.30	Italian	5.27	5.26
23.80	German	23.96	23.94
13.90	Belgian	14.00	14.00
49.80	Japanese	46.57	46.52

Lighter Grain Movement Affects Freight Traffic

From Our Own Correspondent

MONTREAL.—Freight traffic handled by Canadian railways in April was 5.9 per cent. lighter than in the corresponding month of last year; the late opening of navigation through the Soo canals and consequently the light movement of grain to the head of the lakes was the greatest factor in this decrease.

Gross revenues, however, increased by $743,053 or 1.9 per cent. The average receipt per ton mile increased from 1.087 cents to 1.186 cents, the decrease in the grain traffic which is carried at about .6 per cent. per ton mile affecting the average. Operating expenses were heavier by $703,126, or 2.2 per cent., and the net operating revenue was increased by $39,927.

The light grain movement is undoubtedly the chief factor in the reduced average net tons per train mile and per car mile and also in the shorter average haul.

For the four months, gross revenues were larger than in 1927 by $9,172,187 and net operating revenues increased by $3,485,073.

Inter. Harvester Expands

The International Harvester Company are calling for tenders for their new building at Swift Current. The building will cost in the neighborhood of $100,000.

A Famous Smoking Mixture
YOU cannot find a better tobacco anywhere—
PICCADILLY
In patent hermetic tins at twenty-five cents.

Dividends Declared

	Rate	Date	Record
Pressed Metals, c.	75c+25c	July 16	June 25
Do., pref	1¾%	Oct. 1	Sept. 11
Do., pref.	1¾%	Jan. 1, '29	Dec. 12
C. P. Rly., com.	2½%	June 30	June 1
Durant Motors	10c.	Sept. 30	Sept. 15
Do.,	10c.	Dec. 31	Nov. 15
Stand. Chemical, c.	$1.00	Sept. 1	July 31
Tuckett Tob. c.	1%	July 14	June 30
Do., pref.	1¾%	July 14	June 30
Montreal Tramways	$2.50	July 14	June 6
Shawinigan	50c.	July 10	June 23
Int. Utilities, "A"	87½c	July 16	June 30
Do., pfd.	$1.75	Aug. 1	July 18
Bell Telephone	2%	July 14	June 23
Can. Car. pfd.	1¾%	July 10	June 26
Cons. Smelters	5%+$5	July 16	June 30
Dom. Power, pfd.	1¾%	July 14	June 23
Power Corp., pfd.	1½%	July 16	June 30
Monarch Mtge., c.	5c.	July 16	June 30
Do., pref.	4%	July 16	June 30
Nipissing M.	1½%	July 20	June 30
East. Theatres, pfd.	3½%	July 31	June 30
Teck-Hughes	10+20c.	Aug. 1	July 17
Dome Mines	25c.	July 20	June 30
Abitibi, com.	$1	July 20	June 30
Do., pref.	1½%	July 20	July 10
Brewers & Distil.	5c.	Aug. 1	July 5
Montreal L. H.	50c.	July 31	June 30
Brant. Cord., pfd.	2%	July 15	June 20
West. Grocers, pfd.	1¾%	July 16	June 30
Quebec Power	50c.	July 16	June 30
Trinidad Elec.	1¼%	July 10	
Montreal Finance pfd.	4%	July 15	
Christie Brown	30c	Aug. 1	July 16
Maple Leaf Mill, pfd.	1¾%	July 18	July 8
Imperial Bank	3%	Aug. 1	July 16
Granby Cons.	$1	Aug 1	July 13
Loew's, Marcus, pfd.	3½%	July 14	June 29
London Loew's, cum.	3%	July 16	June 29
Do., pref.	3½%	July 16	June 29
Pure Gold	50c	July 16	June 30
Can. Brewing, c.	50c	July 16	June 30
Brompton, c.	50c	July 16	June 30
Can. Indust. Alc.	38c.	July 16	June 30
Sovereign Secs. pfd.	2%	July 10	June 30
Can. Bronze, com.	$1	Aug. 1	July 16
Do., pfd.	$1.75	Aug. 1	July 16
Inter. Paper, c.	60c.	Aug. 15	Aug. 1
Penmans, c.	$1	Aug. 15	Aug. 6
Do., pfd.	1½%	Aug. 1	July 21
McColl Fron., pfd.	$1.50	July 16	June 30
Steel of Can., com.	1¾%	Aug. 1	July 7
Do., pref.	1¾%	Aug. 1	July 7

Flood Barnes Active Bond Prices

	Price	Rate	Years to Maturity	Next int. Date	Yield %
Agric. Mtge. Bk. of Colombia Gtd. S.F. 7s, due '47	99¼	7	19	July 15	7.07
Alberta Pacific Grain 1st S.F. 6's due '46	102	6	18	Dec. 1	5.82
Argentine Govt. 6's, Series "B" due '58	100	6	30	Dec. 1	6.00
Asbestos Corp., 1st Ref. S.F. 6's, due '41	103	6	13	Jan. 1	5.68
Asbestos Corp. Gen. Mtge. S.F. 6's, due '56	99	6	28	Jan. 1	6.07
Bell Tel. of Can. 1st 5's, Series "B", due '57	104	5	29	Dec. 1	4.75
Brazil, United States, Ext. S.F. 6½'s, due '57	96¾	6½	29	Oct. 1	6.75
Canada Cement, 1st Mtge. S.F. 5½'s, due '47	103	5½	19	Nov. 1	5.25
Canada Power & Paper Coll., Trust 5½'s, due '58	94	5½	30	Jan. 1	5.93
Canada Paper, 1st S.F. 6's, due '45	103¼	6	17	Dec. 4	5.70
Can. Light & Pwr., 1st 5's, due '49	94½	5	21	Jan. 1	5.45
Can. S. S. Lines, 6's 1st & gen., Series A, '41	102½	6	13	Oct. 15	5.73
Can. S. S. Lines Consol. 5's, due '43	103	5	15	Aug. 15	4.72
C. P. Rly. Coll. Trust 5's, due '34	101¾	5	6	Oct. 15	4.65
C. P. Rly. Secured 4½% notes, due '44	100	4½	16	Dec. 15	4.50
Can. Goodrich Income 7's, due '43	62	7	15		
Chile Republic Ext. S.F. 6's, due '60	94	6	32	Oct. 1	6.45
Colombia Repub. Ext. S.F. 6's, due '61	92¾	6	33	Oct. 1	6.54
Dom. Iron & Steel Consol. S.F. 5's, due '39 (£)	75½	5	11	Sept. 1	
Donnacona Paper Co. 1st S.F. 5½'s, due '48	99	5½	20	Aug. 1	5.58
Donnacona Paper Co. 6's Debentures, due '48	100	6	20	Aug. 1	6.00
Duke Price Power S.F. 6's, Series "A", due '66	105½	6	38	Nov. 1	5.65
Fraser Companies, 1st S.F. 6's, due '50	104	6	22	July 1	5.68
Fraser Companies 6½'s Debentures, due '42 (Cum. Stock Rights)	106½	6½	14	Oct. 1	5.80
French Line Ext. S.F. 6½'s, due '51	101½	6½	23	Aug. 15	6.37
French National Mail S.S. Ext. S.F. 6's, due '52	99	6	24	Nov. 1	6.07
Gen. Steel Wares, Ltd., 1st mtge. S.F. 6's, due '52	102	6	24	Nov. 1	5.84
Gatineau Power, 1st 5's, due '56	99½	5	28	Dec. 1	5.02
Gatineau Power S.F. Debs. 6's, due '41	102	6	13	Dec. 15	5.73
Hydro-Elec. B'd & Sh. Corp. Coll. Trust S.F. 5's, due '47	97½	5	19	Nov. 1	5.20
Manitoba Power 1st S.F. 5½'s, due '51	104½	5½	23	Jan. 1	5.15
Massey-Harris Co. 1st Mtge. 5's, due '47	98½	5	19	Oct. 15	5.12
Mtl. Coke & Mfg. 1st S.F. 5½'s, Series A, due '47	103	5½	19	Dec. 1	5.25
Mtl. L.H.&P. 1st Ref. & Coll. Trust 5's, Series A, due '51	102½	5	23	Oct. 1	4.82
Mtl. Tram. 1st Coll. Trust 5s, Series A, due '41	101¼	5	13	Jan. 1	4.87
Mtl. Tramways Gen. & Ref. 5's, Series "A", due '55	99¾	5	27	Oct. 1	5.00
Nova Scotia Coal & Steel 1st S.F. 5's, due '59	76½	5	21	Jan. 1	
Northwestern Utilities, 1st S.F. 7's, due '38	104	7	10	Dec. 1	6.45
Port Alfred Pulp & Paper 1st S.F. 5½'s, due '57	100½	5½	19	Nov. 1	5.45
Price Bros. 1st S.F. 6's, Series A, due '43	106¼	6	15	Aug. 1	5.40
St. Law. Paper, 1st S.F. 6's, Series A, due '46	105	6	18	Sept. 1	Called
St. Law. Paper, S.F. 6½'s, due '36	102	6½	8	Jan. 2	Called
Southern Can. Pwr. 1st 5's, Series A, due '55	102	5	27	Oct. 1	4.87
United Grain Growers, 1st. Mtge. 5's, due '48	98	5	20	Jan. 2	5.17
United Securities Coll. Trust S.F. 5½'s, Series A, due '52	103¾	5½	24	Nov. 1	5.21
Wayagamac Pulp & Paper 1st S.F. 6's, due '51	104½	6	23	Jan. 1	5.65
Winnipeg Electric Ref. 6's, due '54	104½	6	26	Oct. 1	5.68

HICKEY, MEGGESON & CO.
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Calgary, Canada
Bond, Insurance, Estates, Farm Lands, Appraisals
We are well informed on the oil situation

New Issue

Abitibi Power & Paper Company, Limited

5% First Mortgage Gold Bonds Series "A"

To be dated June 1st, 1928, maturing June 1st, 1953. Principal and interest payable in Canadian, United States or Sterling Funds. Denominations $1,000 and $500.

The Abitibi group of properties constitutes one of the largest producers of newsprint paper in the world, with an annual capacity of 650,000 tons and capable of expansion to 1,000,000 tons from present timber and water power resources. Total wood reserves exceed 50,000,000 cords; developed water powers aggregate approximately 200,000 h.p., and undeveloped water power resources aggregate approximately 500,000 h.p. in reserve.

Proceeds of the present bond issue, of $50,000,000 principal amount, will be applied in substantial entirety to redemption of funded debt of constituent companies, with resultant saving in annual interest charges.

Net assets as shown in consolidated Balance Sheet are equivalent to 2.8 times the amount of this issue. Junior to these Bonds are over $35,000,000 par value of Preferred Stock, and Common Stock having a current market value of approximately $58,000,000. During the first four months of 1928, consolidated net earnings of the entire enterprise, after depreciation, were equivalent to nearly three times the interest requirement of this issue for a four months period.

We offer these Bonds as a sound and attractive investment, at—

94½ and interest, to yield 5.40%

Descriptive circular on request.

Royal Securities Corporation
LIMITED
244 St. James Street, Montreal

Toronto Halifax Saint John Quebec Winnipeg Vancouver
New York Charlottetown Ottawa Hamilton Calgary
Edmonton Regina Victoria St. John's, Nfld. London, Eng.

K-59

WAKEFIELD
Regd Castrol
MOTOR OIL
One filling is good for
a 2000-mile trip

We have prepared special analytical circular in connection with

COCKSHUTT PLOW

THIS COMPANY IS ONE OF THE LARGEST AND OLDEST ESTABLISHED AGRICULTURAL IMPLEMENT COMPANIES IN CANADA, AND HAS NO BONDED INDEBTEDNESS OR PREFERRED STOCK AUTHORIZED OR OUTSTANDING. CONSEQUENTLY, ITS SHARES REPRESENT A FIRST CHARGE ON ITS EARNINGS. TOTAL ASSETS ARE CONSERVATIVELY VALUED AT OVER $85 A SHARE AND NET CURRENT ASSETS ALONE AT OVER $22 A SHARE. AT THE SPECIAL GENERAL MEETING HELD RECENTLY, THE PRESIDENT STATED THAT IT WAS THE POLICY OF THE BOARD TO INAUGURATE DIVIDENDS AT THE RATE OF $1.50 PER SHARE.

Copy supplied on application.

McCuaig Bros. & Co.

Members { Montreal Stock Exchange / Montreal Curb Market

276 St. James Street — 1420 Peel Street
HArbour 9151 MONTREAL UPtown 6616

We offer

MUNICIPALITY OF MEDELLIN

(Department of Antioquia, Republic of Columbia)

External 6½% Gold Bonds

Due Dec., 1954 — Payable, New York

Medellin, capital of Colombia's largest Department, with a population of 120,000, situated at 5,000 feet altitude and having year-round temperate climate, is the chief commercial centre of a vast territory and one of the world's greatest markets for coffee. This Municipality has never defaulted in the payment of principal or interest on any of its obligations. Application will be made to list these bonds on the New York Stock Exchange.

PRICE: 93.25 and interest, to yield 7.05%

Write for descriptive circular

HANSON BROS.
INCORPORATED

INVESTMENT BANKERS - ESTABLISHED 1883

TORONTO MONTREAL OTTAWA

Your Investments

Can. Industrial Alcohol

I hold some Canadian Industrial Alcohol shares on which I have a good profit. I am considering selling. What do you think of the stock?

Canadian Industrial Alcohol looks to us to be still a good business man's hold.

For the Kids

I want to buy some stocks or some bonds for my children, aged about ten and twelve. What do you advise?

It seems to us that in investing money for your children you would be well advised to pick out stocks of a sound investment character which give every indication of appreciating substantially over a term of years. Therefore why not purchase a few shares of Montreal Power and Shawinigan.

C.P.R.

Will you please let me have your opinion of the common stock of the Canadian Pacific Railway. It there any possibility of a further appreciation in value?

Canadian Pacific Railway common stock at current price, roughly $200 a share, yields you 5 per cent. The company's financial position is exceptionally strong and its earnings for the current year have shown a substantial gain. During the past month railway stocks on the New York market have not shown much change, but when there is renewed interest in this class of stock, C.P.R. should show an appreciation.

Canadian Car

I have some Canadian Car preferred which I hold as a means of increasing the average yield from my holdings. How do you regard this issue?

Canadian Car & Foundry 7 per cent. preferred is speculative, but the company is in a strong liquid position and every indication points to the fact that it will more than maintain its ability to continue paying preferred dividends. The stock can be classed as a business man's hold.

Lake of the Woods

I am the holder of a block of shares of the Lake of the Woods Milling Company. These I intend to hold over a term of years. What do you think of such an investment?

Lake of the Woods is a fair business man's hold. There seems to have been some improvement in the Canadian milling industry as a whole. During the past few years, foreign markets have been cut off and the industry has been going through a period of readjustment. However, we feel that there will always be a milling industry in Canada, and therefore the investment in the stock seems satisfactory as it operates under sound management.

Canadian Vickers

I hold some Canadian Vickers preferred which my broker says I should sell. Is the broker giving me good advice?

Canadian Vickers preferred appears to be an excellent investment for one with a diversified list of similar securities. The stock returns a satisfactory yield and the company is making steady progress. For the future, it will probably have its ups and downs, but we believe that there is no doubt about its ability to earn its preferred dividends. In its class, the stock looks attractive. Of course, it cannot be classed as a gilt-edged security. Nevertheless, it is a satisfactory investment of its kind.

International Power

I notice you think favorably of International preferred as a high yield investment for a business man. Let me know something of the company and its shares, please.

The International Power Company is a holding company owning virtually all of the common stock of the Porto Rico Railways, Venezuela Power Company, San Salvador Electric Light Company, Newfoundland Light and Power Company, Demerara Electric Company, Bolivian Power Company. The capitalization consists of $3,000,000 in debentures, $5,000,000 in first preferred stock, $2,000,000 in 6 per cent. convertible preferred and 110,000 shares in common stock of no par value.

Earnings of the subsidiary companies are steadily increasing. Earnings of the parent organization are also increasing. The preferred stock looks like a very satisfactory investment with a good yield. The company operates under a good board of directors and the territories of virtually all the subsidiaries are such that they have the ability to grow.

Wayagamack

I thought of buying some Wayagamack as the shares have experienced a substantial decline. Probably they will again sell higher shortly. Would such a purchase be wise?

Wayagamack, in our opinion, is an ably-managed company. It is dependent not only on newsprint, but on a large production of sulphate pulp and kraft paper. At the present time the stock can only be regarded as a speculation. It is quite apt to sell lower unless the position of the newsprint industry improves generally. We believe that within the next few months you stand a fair chance of obtaining the price which you paid for this stock.

However, you must regard it as a speculation. As a three or four year hold, we believe the company will do very well indeed—nevertheless, in view of the situation surrounding the pulp and paper industry the shares can only be regarded as a speculation.

Despite the newsprint situation, because of its excellent record and its excellent management, we are rather inclined to favor Wayagamack shares as a long hold speculation. However, do not forget that the immediate market outlook depends singly and solely upon the ups and downs of the industry generally. In view of the present over production situation existing in the newsprint industry, it is really impossible to forecast the immediate possibilities of the existing situation.

National Steel Car

I have some National Steel Car shares on which I have a loss. What is the matter with the stock? Should I sell?

Obviously, National Steel Car is purely a speculative stock. In the recent decline, no doubt many speculators were called for margin and dumped their holdings on the market. We believe that the decline in the stock is due solely to market conditions for in its first year of operation it is expected the company will show about $4 a share on the stock. If you can afford to hold a speculative stock, National Steel Car we think stands every chance of improving its market position somewhat. However, you must regard it as an out and out speculation. In the meantime, the company is doing nicely and with any luck should continue to do well. The car building industry in Canada has been over expanded. Hence, earnings of all the companies are subject to wide fluctuations and will continue to be subject to wide fluctuations in the future. This is the speculative features surrounding the company's securities.

Waterloo Mftg. Co.

Would you kindly advise if you consider the class A common shares of the Waterloo Manufacturing Co. recently issued by Bankers Bond Company Limited, a first class speculative investment, and if they are likely to be placed on a dividend basis during the present year.

Class A shares of the Waterloo Manufacturing Company, appear to be a good speculative buy. Earnings of the company on its old operating basis have for several years been more than twice the dividend requirements of this stock, and in 1927 were more than 3½ times dividend requirements of whole issue.

Dividends on the Class A shares seem therefore well assured as well as a substantial surplus remaining profit for class B shares.

Insurance Investments Co.

Will you kindly give me your opinion on the shares of Insurance Investment Limited; and tell me what is their capitalization and who are their officers.

The authorized capitalization of Insurance Investments Limited, is 50,000 shares of common stock no par value. Of this number, some 46,000 shares have been issued at prices probably averaging about $12 a share. Around 35,000 shares are closely held by interests close to the management of the company; and about 11,000 shares are in public hands.

The officers of the company are G. F. Cronan, president and secretary-treasurer; A. W. Northrup, vice-president; L. S. Cooper, second vice-president; and J. Coulter and Noah Burkholder, directors.

Insurance Investments, Ltd., is a sound little company that has been largely responsible for bringing to the fore the virtues of insurance shares of all kinds. The company's earnings have been substantial; and at present a dividend of 25c. per quarter is being paid on the shares. These shares have naturally a fairly limited marketability and there have been some recent sales around $15 per share. They would seem good for a long hold.

Royal Bank, etc.

I at present hold the following—all purchased at levels considerably above the present market price:

10 shares Royal Bank of Canada.
25 shares British American Oil.
20 shares Imperial Oil.
10 shares New Brazilian.
5 shares Montreal, Light, Heat and Power.

I hold these stocks outright for a long pull. What, in your judgment, are their chances for appreciation in, say, five years?

I have about $500 or $600 to invest but would like to obtain your advice before doing so. I have a regular salary. Dividends from the stocks I purchase are a secondary consideration. Of prime importance to me, however, are safety of money invested and substantial appreciation in value in the years to come. In view of what I already hold, what stock would you suggest? I would purchase with the idea of retaining for a period of from three to five years.

You have gone rather heavily into the oil stock in proportion to your total investment, but we believe that over a term of from three to five years the result will be eminently satisfactory. British American Oil is the leading distributor after only Imperial Oil, which, being in the producing end of the business as well, probably is not earning quite so much at the present time in proportion to capital employed.

We think that the stock of the Royal Bank of Canada is one of the most attractive bank stocks on this continent. The double liability clause of the Bank Act is not a menace but should not be overlooked. Another factor to consider in investments in Canadian bank stocks is that bank stocks have no collateral value; that is, the banks are not permitted by law to loan on their own stocks.

Brazilian Traction Light & Power Company is a most promising utility stock, in our opinion. Montreal Light and Power has been one of the best common stock investments in Canada and we seen no reason why its record should not be as good in the future as in the past.

You now have a bank stock, two oil stocks and two utilities. We think that you advisedly should consider some of the high class food stocks. One of the leaders in the food stuffs industry is City Dairy of Toronto. This stock has done remarkably well in the last two or three years and we understand that earnings continue to show a satisfactory increase. The stock is comparatively low priced at the present time, and with the amount of cash at your disposal you could buy a number of shares.

PUBLIC UTILITY BOARD IN B.C. NOW MENTIONED

Would Only Assist Management — Some Unfair Newspaper Attacks

The sale of the British Columbia Electric to the B.C. Power Corporation was seized by a Vancouver paper as a means of making an unfair attack on the conditions surrounding the recent purchase. Now this was followed by talk in British Columbia of the creation of a public utility board to control the operations of public utilities in the province. The creation of such a board would by no means impair in any way the outlook for the future of B.C. Power Corporation, for B.C. Power is partly owned by the Power Corporation of Canada; and the Power Corporation of Canada controls many subsidiaries, virtually all of which work very successfully under and with public utility boards in the other provinces.

The charges levelled against the company by one Vancouver are four in number—namely, that the capitalization has been inflated, that the promoters have made large profits on the deal, that nothing has been done to augment the assets of the company and that rates will be increased.

All four charges are based on incorrect premises.

A comparison of the present capitalization of B.C. Power with the capitalization of other power undertakings elsewhere in Canada, leads to the belief that the present market value of the shares of the B.C. Power Corporation is more than in line with the market value of the shares of the other large power companies.

In the sale, the profits went not to the interests back of the transaction, but to the original British shareholders who had waited many years for profits. Moreover, when bids were first made for the outstanding stock of the B.C. Electric Railway, the shares in that company in London were changing hands at a figure entirely out of line with the prevailing quotations on public utility stocks in Canada.

Ploughed Back Its Profits

The charge that the original shareholders of B.C. Electric received a high price for their holdings without any money being ploughed into assets, is untrue, for steadily the predecessor company ploughed back a portion of the shareholders' profits into the assets of the company. New equipment has been added and extensions have been made with funds which belonged to the shareholders. This was the steady conservative policy of the predecessor company for years.

The suggestion that the company will increase its rates is little short of absurd. The Holt-Gundy, Nesbitt, Thomson interests directing the policies of the B.C. Power Corporation are in the first instance, wise enough to know that any such step would result in merely eliminating the public's goodwill, which in turn would have a serious effect upon earnings. In the second place, the idea back of the purchase of the B.C. Electric Railway, is to build up industries in the territories served, which will steadily increase the power consumption of the area. This cannot be accomplished by charging exorbitant or even high rates.

Safety of Principal with Attractive Yield

This is the heading of our July investment offering list, wherein a selected list of sound, preferred stocks is recommended to our clients. Such securities provide:

Safety of Principal
Marketability
and
Attractive Yield

A copy will be mailed upon request.

R. A. DALY & CO.
LIMITED
BANK OF TORONTO BUILDING
TORONTO

D. J. McDougald J. B. McArthur
Government, Municipal and Corporation
BONDS
D. J. McDOUGALD & CO.
Trusts and Guarantee Bldg.
302 BAY STREET ELGIN 2373
The Partners Personally Advise as to Investments

Canadians Deserve to Know the Truth!

Do you resent the slanderous statement that the British Empire did not bear to the full its share of the brunt of battle?

That is what certain United States periodicals have been telling their public for months past. Thousands of Canadians, reading publications prepared for a different audience, have been told "Who Won the War" by "investigators" whose articles, founded on misinformation and distorted opinions, preach the calumny that the BRITISH EMPIRE SHIRKED ITS RESPONSIBILITIES IN THE GREAT WAR.

To such slanderous statements Canada's National Magazine feels a correct reply imperative. A reply, not from *one* speaker, but founded upon data from authoritative sources in every direction; all thoughtfully considered and technically analyzed, with due regard to the part played by each nation in the great struggle. An answer which should place in the mind of every biased or unbiased reader a correct understanding of the situation—the true story of what was done, who did it, how, when and why. A reply which would give every Canadian an opportunity of *knowing* the truth. Such an answer is found in the article

"The Truth About The War"

which appears in July 1st issue of MacLean's Magazine. It has been prepared by Major George A. Drew, of the Sixteenth Canadian Field Battery, and it presents the facts concerning the part played by the Empire. The perspective of the post-war generation cannot but be affected by what it reads, and the absorption of misinformation regarding the part played by the British Empire from 1914 to 1918 must inevitably colour that perspective unless countered by the actual facts. That is why "THE TRUTH ABOUT THE WAR" appears in

JULY 1 **MACLEAN'S** JULY 1
"CANADA'S NATIONAL MAGAZINE"

At Your Newsdealer's **10c.** *At Your Newsdealer's*

BLAMES OFFICER FOR LARGE LOSSES OF DOM. GRESHAM

Chairman of Parent British Company Passes Buck to Canada

LONDON.—Lengthy explanation of the causes of the failure of the Dominion Gresham Insurance Company was given at the annual meeting of the Gresham Fire and Accident Insurance Company. The chairman, Sir Reginald Macleod of Macleod, K.C.B., said:

"The loss which the unfortunate failure of the Dominion Company must in any event entail upon the society is from every point of view deplorable, and it is only natural that you should ask how such a disaster could, almost without warning, occur in such a comparatively short space of time. This I will endeavor to explain by giving you a summary of the chief factors in the situation. It is to be remembered that although this society holds the shares in the Dominion Company, it has no further liability in respect of the obligations of that company, which is an entirely seprate undertaking with its own board of directors who appointed their own officials and staff, and that our interests depended upon good faith and management as exercised in Canada.

"The trust which the directors of this society reposed in the conduct of the Dominion Company, and which, up to the early part of this year, they had no reason to believe was misplaced, has met with the severest blow.

Development of Undertaking

"In order to understand the position fully we must go back for a moment to the origin of the Dominion Company. It was first incorporated in Canada in 1893 as the Dominion Burglary Guarantee Company, obtaining extended powers and altering its name to the Dominion Guarantee Company by a further Act of Parliament in 1903. It was not until 1911 that this society first became interested in the company by a purchase of shares. Further extension of powers and a change of name to the present designation followed in 1912, but the same board of directors (eminent men, men of high standing and wide experience) remained in office and continued to be responsible for the conduct of the company's affairs.

"At this time last year we had every reason to believe that the business of the Dominion Gresham Guarantee and Casualty Company was progressing upon ordinary lines, as shown by the monthly statements of business transactions regularly forwarded to us.

Had to Meet Bonds

"Early in the present year claims were made against the Dominion Co. which revealed to us for the first time that that company had issued bonds guaranteeing mortgages in connection with a number of real estate ventures. It transpired that certain of these latter undertakings had been unable to meet their obligations, and that the Dominion Company had been called upon under its bonds to finance large repayments of principal falling due on various dates in the present year.

Board's Action

"Your board, viewing these disclosures with grave concern, dispatched officers of the society to Canada to confer with the directors of the Dominion Company, and the most strenuous efforts were made to fathom the difficulties into which that company had suddenly been plunged. The commitments to whch I have referred, both as to their undesirable character and their extent, were such as should never have been undertaken by any insurance company, and I need hardly say that the officer of the Dominion Company, who was responsible for the acceptance of these risks, ceased to hold any position in the services of the company.

"At this juncture writs were served upon the Dominion Company by the Canadian Government in respect of a number of surety bonds which had been issued from time to time by that company guaranteeing the due delivery at certain foreign ports of liquor exported from bond. These surety bonds had indeed been previously discharged by the Canadian Customs authorities and cancelled, but non-fulfilment of the obligations of the exporters of the liquor as to landing at stipulated ports was alleged and in consequence heavy penalties were demanded from the guarantors.

Asked Winding Up

"These actions have not yet been heard, but your board are informed that an appearance has been entered, and while the matters which form the subject of this litigation are sub judice it would obviously be improper for me to express any opinion in regard to them. Suffice it to say that in all these circumstances the directors of the Dominion Company found that it was not possible to continue to carry on business, having regard to the interests of the policyholders, and on May 30, 1928, they presented a petition to the Canadian Courts for the winding up of the company, which petition was granted.

"These events are too recent for any definite estimate to be formed of the final results of the liquidation of the Dominion Company, but your directors, after careful consideration, came to the conclusion that it was incumbent on them to provide fully for the possible loss of the whole of the society's investment in that company. This investment consists of $200,000 in ordinary shares and $50,000 in preference shares of the Dominion Company, all fully paid, and stands in the society's balance-sheet at £64,007 19s. 5d. How were your directors to deal with this situation in the best interests of the policyholders and shareholders of the society? Our position was very strong, our shares, 10s. paid, standing at a large premium. It was thus open to the society to make a further issue of share capital upon terms which would be advantageous to all concerned, and this course your board decided to adopt."

Canada Colonization Assoc. Has Big Program Under Way

From Our Own Correspondent

MONTREAL.—The Canada Colonization Association hopes to record this year the placing of 3,000 families on privately-owned farm lands in Canada. It is now within about 300 of this figure, according to T. O. F. Herzer, manager of this subsidiary of Canadian Pacific's Department of Colonization and Development. Since its inception on January 1st, 1925, the Association has placed 2,679 families on 650,357 acres; this year's contribution up to the end of May being 335 families settled on 64,114 acres. With Ontario now being included in the circuit of the Association's activities, the placements for the present year, up to May 31st, run as follows: Ontario, 71 families placed on 2,611 acres; Manitoba, 54 families on 14,383 acres; Saskatchewan, 97 families on 20,132 acres; Alberta, 88 families on 25,652 acres, and British Columbia 25 families on 1,336 acres.

Pringle and Holmes Open Investment Office

Robert H. Pringle and Gilbert G. Holmes announce the formation of a company to deal in general investment securities under the name of Pringle, Holmes & Co., Limited, with offices at 45 Richmond Street West.

Mr. Pringle was formerly vice-president of the Willison Neely Corp., Ltd., and Mr. Holmes, sales manager.

Within Our Own Control Lies Our Forest Future

So Declares Dominion Director of Forestry Outlining Problem of Conserving Our Wealth in Wood

By E. H. FINLAYSON,
Director of Forestry, Department of the Interior, Ottawa

The perpetuation of the forest resources is one of the major problems confronting Canada. The pulp and paper industry has become the most important manufacturing industry in the Dominion, as measured by gross and net values of manufactured products and by the salaries and wages distributed. The lumber industry, though fourth in the gross value of products, stands second in net value of products and in wages and salaries paid. The other industries such as planing mills, sash and door, furniture, boats and canoes, etc., in which wood is the primary material used, are also prominent among the manufacturing enterprises in the Dominion. In all there are over 6,900 manufacturing plants in Canada in which wood or paper is the principal basic material used. These plants employ 125,000 people and distribute annually about $150,000,000 in wages. In addition, over 50,000 men are employed in logging operations. In 1926 the capital invested in the pulp and paper industry amounted to $501,184,714, in the lumber industry to $175,186,704, and in the planing mills, sash and door industry to $49,413,163. The other industries depending primarily on the forests would bring the total capital invested to at least $800,000,000. In few industries does manufacture add a higher percentage to the value of the materials used than in the wood-using industries. In the pulp and paper industry, the value of the raw materials is increased by 252 per cent. and in the lumber industry by 171 per cent. By further manufacture into planing mill products, sash and doors, the value is increased a further 191 per cent.

All Dependent on Wood

Practically every industry is dependent on wood to a certain extent, even if it is only for containers for shipment.

In the broad classification of primary industries, the forest industries rank second only to agriculture in the value of the products and the value of exports.

The total sale value of forest products is not less than $475,000,000, and of this, during 1927, the total value of our exports of wood, wood products and paper, exclusive of printed matter, was $279,927,789 and imports amounted to only $36,030,516, leaving a favorable trade balance of $243,897,473, most of which was in our trade with the United States. The importance of this surplus in maintaining the value of our currency in foreign trade relations, especially with the United States, is self-evident.

These industries, which have grown to their present status as a result of the abundance of accessible timber, are entirely dependent on the maintenance of this source of supply within reach of their manufacturing plants or their markets. It is not sufficient to have timber in the country, but it must be exploitable at a price which will enable the manufacturers to meet outside competition, especially from the Pacific coast of the United States.

Embarrassment of Riches

The people of Canada have suffered from an embarrassment of riches as far as forest resources are concerned, with the usual results, prodigal use and wanton waste. Our original forest wealth is estimated to have been at least 925,000,000,000 cubic feet, of this we have cut for use some 120,000,000,000 cubic feet or 13 per cent., burned 550,000,000 cubic feet or 60 per cent., and have left 250,000,000,00 feet or 27 per cent. From this it will be seen that from four to five times the amount of timber actually used has been burned through forest fires since exploitation of the forest began.

Naturally the timber which has been utilized, and to a large extent, that which has been destroyed by fire, was on the more accessible lands close to the industrial centres, with the result that the operators have to go farther and farther back for their logs and pulpwood, and the cost of logging and transportation has increased. Fortunately, the last few years have given evidence of an appreciation on the part of the public that our forests are not inexhaustible and that the remaining stands are worth every effort toward protection. The last three years, especially, have shown a very decided decrease in the loss from forest fires and, in 1927, the reports indicate the lowest loss since anything like complete records have been compiled. The weather during these years has been favorable to fire suppression, but some of the credit is also due to the increased care of those who work or play in the forests and to the increased efficiency of the forest protective organizations.

1927 Was Good Year

The following table, which is subject to further slight revision, gives the figures for the year 1927 in detail, and also by way of comparison the averages for the 5-year period, 1923-7:

	1927	Average for 5 years 1923-27
Total number of fires	3,766	5,317
Ttl. area burned (acres)	481,373	2,380,416
Merchantable timber area burned (acres)	114,708	571,579
Timber burned (M.B.M.)	583,373	3,894,735
Estimated stumpage value	$ 831,492	7,510,018
Young growth, area burned (acres)	187,124	701,471
Estimated value	$ 193,481	2,287,314
Cut-over area burned (acres)	35,875	448,802
Estimated value	$ 36,449	493,937
Non-forested area burned (acres)	184,171	658,564
Other property burned, value	$ 91,670	815,977
Actual cost of fire-fighting	$ 242,963	638,644
Total gross damage and loss	$1,369,055	11,745,885

Note: The general high average is due to the exceptional losses in 1923 when the total losses were over $40,000,000. The average for the last four years, i.e., 1924 to 1927 inclusive, was $4,463,995.

When one considers that nine-tenths of the fire damage is due to human carelessness, even $1,040,000 is too high a price to pay in a year of extremely low hazard. Dry years, when the slightest spark is liable to start a conflagration, are bound to follow, and the comparatively small loss of the last few years must not be interpreted as an excuse to "stand at ease," but, as a pause before the battle, when all the forces must be organized and made ready to meet the enemy.

Efficient Protective Methods

Canada has developed highly efficient forest protective methods, as far as the financial resources of the forest services will permit, but, at present, we are spending less than $5,000,000 to protect property worth, as it stands, at least $1,300,000,000 in merchantable stumpage and $500,000,000 in accessible young growth. This amounts to an insurance premium of only 28 cents per 100 dollars, which is entirely inadequate considering the hazard and the interests at stake.

Fire protection is essential and certainly one of the first requirements in a forest policy, but, in itself, it will not solve the forest problem of Canada. The remaining virgin stands are fast disappearing before the march of industry. About 1,200,000 acres are cut over annually and, on the average, during the last five years an additional 1,634,000 acres have been burned. Insects, fungi and wind also contribute largely in the drain on our forests so that it is estimated that the annual depletion amounts to at least 5 billion cubic feet. The remaining accessible stand of merchantable timber is estimated at 115 billion cubic feet. It is evident, therefore, that the time is in sight when Canada must cease to draw on her inherited forest capital and depend on the current increment derived from growing stands. Fortunately for us and for our descendants, natural reproduction is comparatively easy to secure in this country, provided forests are cut under proper methods and once secured, protection from fire will insure a new crop of some sort, in time. The largest returns, both in quantity and value, will be secured, however, only by the practice of silviculture. We have, in Canada, 1,100,000 square miles of land which is essentially forest land, which should be permanently dedicated to forest production. Of this, some 310,000 carry accessible timber of merchantable size and 560,000 square miles has some kind of young growth and is within reach of the present industries. This 870,000 square miles with adequate fire protection under the simplest form of management, is capable of growing in perpetuity five or six times our present requirements for all purposes.

Up to Ourselves

If the forest industries fail through lack of wood, it will not be the fault of the climate, soil, or nature of the forest, but, through the lack of foresight on the part of the industries themselves and of the citizens of Canada who, to a very large extent, own and control the forest resources of the Dominion.

Large Bank has openings for three young men of outstanding education or experience, with a view to special training and rapid advancement. Limit of age, 25.
Reply Box No. 150, The Financial Post, Toronto, Ont.

The Corporation of the District of South Vancouver

BOND ISSUE

Sealed Tenders, endorsed Tenders for Debentures, will be received by the undersigned at the Municipal Hall, South Vancouver, British Columbia, not later than 5 P.M. on Wednesday, the 18th day of July, 1928, for the purchase of the following Debentures:

(a) By-law 1491, $7,787.68, 5% Ornamental Lighting Local Improvement Debentures, 15 years, payable Vancouver, Toronto and New York, U.S.A.

(b) By-law 1585, $132,231.03, 5% Consolidated Local Improvement Sewer Debentures, 30 years, payable Vancouver and Toronto.

(c) By-law 1586, $11,823.98, 5% Consolidated Local Improvement Water Main Debentures, 20 years, payable Vancouver and Toronto.

(d) By-law 1587, $50,387.51, 5% Consolidated Local Improvement Sidewalk Debentures, 10 years, payable Vancouver and Toronto.

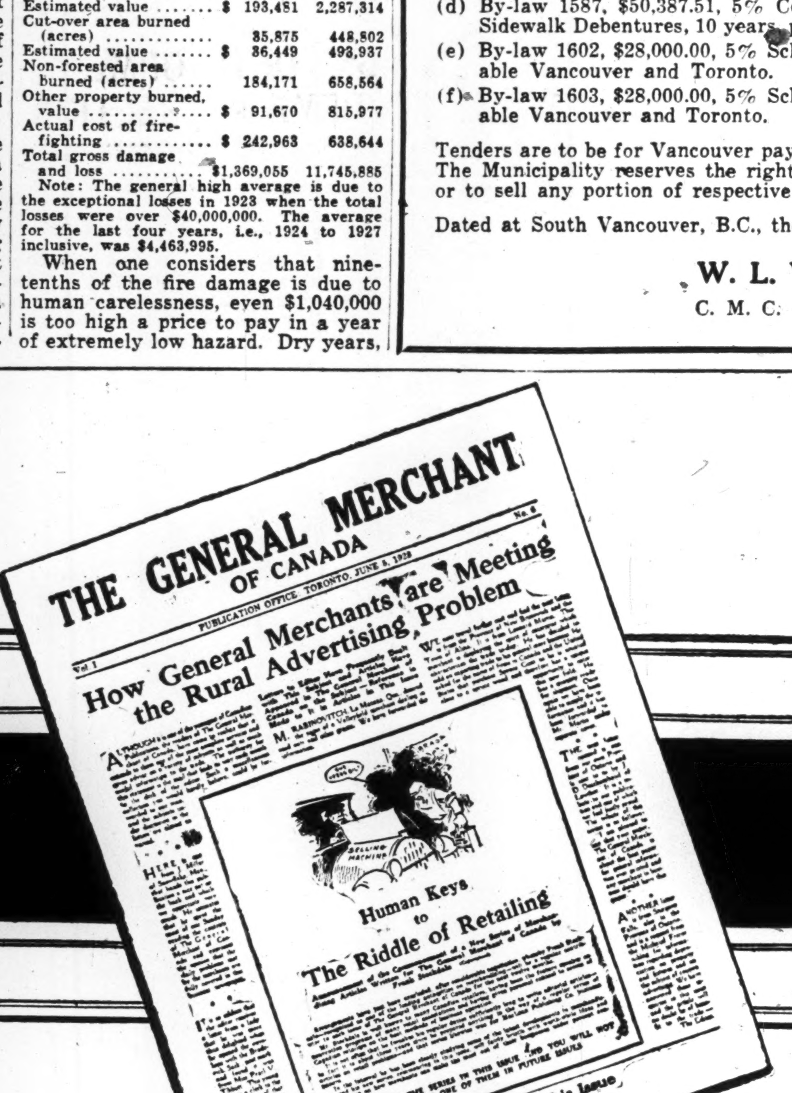
(e) By-law 1602, $28,000.00, 5% School Debentures, 20 years, payable Vancouver and Toronto.

(f) By-law 1603, $28,000.00, 5% School Debentures, 20 years, payable Vancouver and Toronto.

Tenders are to be for Vancouver payment and delivery of all issues. The Municipality reserves the right to reject any and all tenders, or to sell any portion of respective amounts.

Dated at South Vancouver, B.C., the 29th day of June, 1928.

W. L. WOODFORD
C. M. C.



14,000 General Merchants Read It Each Month

NO BUSINESS newspaper in the Dominion approaches in volume of circulation The General Merchant of Canada. Fourteen thousand, wide-awake proprietors and managers of general stores look to it monthly for information, inspiration, help and guidance in the conduct of their business.

Thus advertisers are offered a medium, unique in Canadian journalism, in which they may go directly to this vast market—a market served by no other paper in a national way—and through its pages tell the story of their merchandise or services effectively and economically.

May we send a rate card? Write.

THE GENERAL MERCHANT OF CANADA

Published Monthly by
BUSINESS NEWSPAPERS DIVISION
THE MACLEAN PUBLISHING COMPANY LTD.
TORONTO, CANADA

Reproduce Fine Campaign in Handsome Brochure

One of the leaders in institutional advertising Canada is the Canadian General Electric Company, which for the past two or three years has been endeavoring to impress upon the public of Canada the importance of electrical development in Canadian progress and prosperity. This year's campaign has been particularly well done, the art work being of high calibre, and the continuing idea being impressively utilized. The advertisements have been published by the company in a handsome brochure, for limited distribution. The brochure is the product of a Canadian printing house, which gives it added interest. In addition to reproducing the year's advertising campaign of Canadian General Electric Company, the book, which is called "Electricity and Canadian Development," shows photographs of some of the outstanding electrical installations in Canada.

The campaign was prepared under the direction of H. H. Rimmer, manager of the advertising department of Canadian General Electric Company.

Hudson Bay Ry. 156 Miles to Go

The Hudson Bay Railway which is being laid to connect The Pas, Man., with Fort Churchill on Hudson Bay, and to open up the new mining district of Northern Manitoba, has but 156 more miles of a total distance of 512 miles to go.

The Department of Railways and Canals reports the present end of steel is at Kettle Rapids, 356 miles north of The Pas. Work is being concentrated on grading and filling and is being pushed forward as rapidly as possible to permit completion of the line before the end of the year.

From Kettle Rapids the railway will run almost due north to Fort Churchill, avoiding contact with Port Nelson, altogether.

Wood Distillate Output Value Declines in 1927

From Our Own Correspondent

MONTREAL.—A decline of 8.5 per cent. from the corresponding figure for 1926 is reported by the wood distillates and wood extracts industry of Canada for 1927. According to returns compiled by the Dominion Bureau of Statistics, production in this industry in 1927 was valued at $1,587,704. This represents the output of eleven establishments, including five distillation plants; one charcoal burner in Ontario; one refinery; one distillery, one concern which extracted turpentine and two small charcoal plants in Quebec.

These eleven plants represent a capital of $1,907,514, and gave work to an average of 291 people during the year and used materials worth $865,081. In the previous year the nine plants in operation employed an average of 255 workers and used materials worth $827,575. The value added by manufacturing was $722,623 in 1927, as against $907,418 in 1926.

Charcoal, methyl hydrate, acetate of lime, acetic acid, formaldehyde and turpentine were the principal products.

Canada Cement Receives Large Calgary Power Order

From Our Own Correspondent

MONTREAL.—One of the largest orders received by the Canada Cement Company for some time has been placed through the Calgary branch of the Exshaw plant. This was for 125,000 barrels, or nearly 650 car loads.

About $300,000 is involved in this order. The cement will be used in connection with the construction of the huge hydro-electric plant to be erected near the intersection of the Bow River and the Ghost River by the Calgary Power Company, at an estimated cost of $2,500,000. Considering charges in transferring the cement and other fees attached to the transaction, it is said that the amount of money involved will be considerably more than the nominal figure of $300,000.

The placing of this cement order is in line with the policy adopted by the Calgary Power Company to purchase everything possible for the construction of its huge Ghost River project in Alberta.

The International Nickel Co.

(Incorporated)

A quarterly dividend of one and one-half per cent. on the Preferred Stock has been declared this day payable August 1st, 1928, to the Preferred Stockholders of record at the close of business July 12th, 1928.

New York, July 2nd, 1928.

JAMES L. ASHLEY,
Secretary and Treasurer.

Abitibi Power & Paper Company Limited

Dividend Notice

Notice is hereby given that a quarterly dividend of one dollar per share has been declared on the Common Stock of the Abitibi Power & Paper Company, Limited, payable the 20th day of July, 1928, to shareholders of record at the close of business the 30th day of June, 1928.

By order of the Board.
W. H. SMITH,
Secretary-Treasurer.

THE EASTERN CAR COMPANY, LIMITED

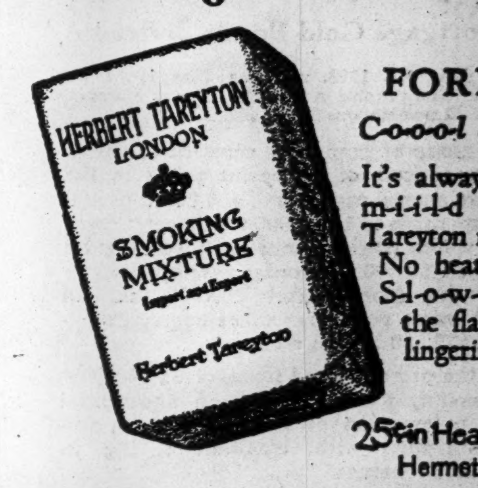
BONDS

NOTICE IS HEREBY GIVEN that The Eastern Trust Company under the provisions of the Mortgage dated the first day of July, Nineteen Hundred and Twelve (1912) to secure the bonds of the Eastern Car Company, Limited, will receive offers up to noon on Wednesday, the first day of August, 1928, from persons willing to sell the whole or any part of the Bonds of the said The Eastern Car Company Limited, purchasable by a Sinking Fund payment of Twenty-two Thousand Five Hundred and Seventy Dollars ($22,570).

Offers must state the amount of bonds and price delivered at Halifax. This Company reserves the right to reject any and all offers in whole or in part. Bonds accepted are to be delivered on or before August 8th, 1928, and interest on accepted bonds will cease on that date.

THE EASTERN TRUST COMPANY,
Trustee.

184 Hollis Street, Halifax, N.S.
June 30th, 1928.



Herbert **Tareyton** London **Smoking Mixture**

FORECAST

C-o-o-o-l and M-i-i-l-d

It's always c-o-o-o-l and m-i-i-l-d when Herbert Tareyton is in your pipe. No heat, no parching. S-l-o-w-burning—keeps the flavor to the last lingering puff.

25¢ in Heavy Foil Wrapper
Hermetically Sealed

THERE'S *SOMETHING* ABOUT IT YOU'LL LIKE!
TS74

INTERNATIONAL PAPER COMPANY

New York, June 26th, 1928.

The Board of Directors have declared a quarterly dividend of sixty (60c) cents a share on the Common Stock of this Company, payable August 15th, 1928, to common stockholders of record at the close of business, August 1st, 1928.

Checks to be mailed. Transfer books will not close.

OWEN SHEPHERD,
Vice-President and Treasurer.

The Steel Company of Canada, Limited

Preference Dividend No. 68

Notice is hereby given that a dividend of one and three-quarters per cent. on the issued and fully paid Preference Shares of the Company has been declared for the quarter ending June 30th, 1928.

Ordinary Dividend No. 46

Notice is also given that a dividend of one and three-quarters per cent. on the issued and fully paid Ordinary shares of the Company has been declared for the quarter ending June 30th, 1928.

The above dividends are payable August 1st, 1928, to shareholders of record July 7th, 1928.

By order of the Board.
H. S. ALEXANDER,
Secretary.

Hamilton, Ontario,
June 27th, 1928.

DOMINION POWER AND MILLING CORPORATION

Notice of Dividend

Notice is hereby given that a Quarterly Dividend of 1¾% has been declared on the Preferred stock of Dominion Power & Milling Corporation, payable 3rd day of July, 1928, to shareholders of record at the close of business the 28th day of June, 1928.

By order of the Board.
F. S. WILLIAMSON,
Secretary.

Enamel & Heating Products, Limited

COMMON STOCK DIVIDEND

NOTICE is hereby given that a dividend of fifty (50) cents per share, being at the rate of Two ($2.00) Dollars per annum, has been declared for the quarter ending June 30, 1928, payable August 1, 1928, to shareholders of record July 14, 1928.

By order of the Board,
F. BRETT,
Secretary.

Sackville, N.B., June 27, 1928.

MONTREAL TRAMWAYS COMPANY

DIVIDEND NOTICE

Notice is hereby given that a dividend of Two Dollars and Fifty Cents ($2.50) per share, for the quarter ending June 30th, 1928, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record the 6th day of July, 1928, at 4 o'clock p.m., and payable on the 14th day of July, 1928.

By order of the Board.
PATRICK DUBEE,
Secretary-Treasurer.

Monday, May 21st, 1928.

WOULD like to get into communication with brokerage firm or sales manager who can arrange sales force, who is open to take on the selling of a three hundred thousand dollar stock issue, which is very attractive to the investor. Promotion ready. Box 146, Financial Post.

FINANCIAL GROUP

wanted to finance purchase of entire acreage Pelee Island, Lake Erie, ten thousand acres, for large Summer Resort; always voted wet; have four thousand acres under ten-year copyrighted option, can secure another 3,000 acres under same option, balance of land must be purchased outright; at present about seven thousand acres under cultivation; main crop, tobacco; ownership of entire acreage would control all subsidiary promotions for development. Have Ontario charter controlling options. Less than two million dollars for entire acreage purchase, and by using options requires less.

Write Box 148 The Financial Post, Toronto, Ont.

Nova Scotia Steel & Coal Company Limited

BONDS

Notice is hereby given that The Eastern Trust Company under the provisions of the Mortgage dated the first day of July, Nineteen Hundred and Nine to secure the Bonds of Nova Scotia Steel & Coal Company, Limited will receive offers up to noon on Wednesday, the eighteenth day of July, A.D. 1928, from persons willing to sell the whole or any part of the Bonds of the said Nova Scotia Steel and Coal Company, Limited, purchasable by a Sinking Fund payment of Seventy-eight Thousand, Three Hundred and Forty-six Dollars and Seventy-three Cents ($78,346.73).

Parties offering to state the amount of bonds and price delivered at Halifax. This Company reserves the right to reject any and all offers in whole or in part. Bonds accepted must be delivered on July 28th, 1928, and interest on accepted bonds will cease on that date.

The Eastern Trust Company, Trustee.
184 Hollis Street,
Halifax, N.S.,
June 27th, 1928.

Canadian Industrial Alcohol Company, Limited

Dividend Notice

Notice is hereby given that a dividend of thirty-eight cents (38c.) per share has been declared on the Capital Stock of this Company for the quarter ending 30th June, 1928, payable 16th July, 1928, to shareholders of record at the close of business on 30th June, 1928.

By order of the Board.
J. GIBSON LAWRENCE,
Secretary.

Tenders for Debentures

Sealed tenders addressed to the undersigned and marked tenders for debentures will be received until 12 o'clock noon, Saturday, July 14, 1928, for the purchase of $14,500.00 County of Peel debentures bearing 5% interest and payable in ten equal annual instalments as to principal and interest. Issued under the authority of by-law No. 700 to pay the cost of erecting an addition to the Registry Office of the County of Peel and for the reconstruction of the present Registry Office.

W. M. WILLIS,
County Clerk,
Brampton, Ont.

June 27, 1928.

PENMANS LIMITED

DIVIDEND NOTICE

Notice is hereby given that the following Dividends have been declared for the quarter ending the 31st day of July, 1928.

On the Preferred Stock, one and one-half per cent. (1½%) payable on the 1st day of August to Shareholders of record of the 21st day of July, 1928.

On the Common Stock, One Dollar ($1.00) per share, payable on the 15th day of August to Shareholders of record of the 6th day of August, 1928.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.

Montreal, Que., 26th June, 1928.

Belding-Corticelli

DIVIDEND NO. 10

The Directors of Belding Corticelli Limited, are making a distribution from the earnings of the half year ended May 31st, 1928, of three and one-half per cent. (3½%) on the Common Stock of the Company payable August 1st, 1928, to Shareholders of record July 14th, 1928.

By order of the Board.
W. P. MacDOUGALL,
Secretary.

Belding-Corticelli

DIVIDEND NO. 55

Notice is hereby given that on the Preference Stock of this Company, the Directors have declared a dividend of 1¾% payable on the 15th day of September to Shareholders of record at the close of business the 31st day of August, 1928.

By order of the Board.
W. P. MacDOUGALL,
Secretary.

Founders Investment Trust Limited

Dividend Notice

Notice is hereby given that the Directors of Founders Investment Trust Limited, have declared Dividend No. 2 on the Preferred Shares of the Investment Trust, payable July 16th, to shareholders of record July 2nd, 1928.

By order of the Board.
A. W. BEAMENT,
Secretary.

Ottawa, June 28th, 1928.

Mining Corporation Buys Out McKinley Darragh Interest

CANADIAN MINING NEWS

Regular Weekly Department of The Financial Post

Noranda in High Grade at Still Deeper Levels

Noranda Continues to Cut High Grade on 850 Foot Level

Will Take Two Years' Work to Determine Mine's Possibilities

W. A. M. TO SHIP ORE

Aldermac Will Begin Lateral Work on 1,130-foot Level

"In the light of recent developments it will take at least two more years' work before we will be in a position to determine the full possibilities of Noranda as a mine," James Y. Murdoch, Noranda's president, recently informed The Financial Post. "The 'H' orebody," he said, "is opening up in a remarkable manner, and, of course, commands our closest attention, but the way it is sizing up indicates that the other ore bodies may prove equally as promising when the same work is carried out on them."

Mr. Murdoch states that on the 850-ft. level the drift to the north is in 61 feet, all high grade, and the face still in ore. On the 975 foot level the drift was 121 feet long, and all in ore, except for 15 feet of diabase intrusive. This was cut through, and the drift again ran into ore on the other side, and was still in ore, when work was stopped.

155 Feet of High Grade

This drift is also north of the shaft. Seventy feet in on this drift a horizontal hole was drilled west for a total length of 175 feet. Several rock intrusions were encountered, but the next result was 155 feet of high grade ore.

The drill was then moved 75 feet further in on the drift and another horizontal hole driven in to the west. It is in 264 feet now drilling in ore. There have been a number of rock and total amount of ore have not yet intrusions in this hole and the grade been computed.

Development work on the deeper levels at Noranada has undoubtedly completedly changed the original conception of this property. At first it was believed the Noranda deposit was shallow seated with the high grade ore deposited in lenses like plums in a pudding and separated from each other by barren rock.

Strike $50 Ore

Noranda's engineers, however, clung to the theory that the non-commercial grade ore encountered on the upper levels would be displaced by high grade ore at depth. This theory has been abundantly proved in the case of the "H" orebody, which on the 975 foot level is unofficially reported to show a fairly uniform grade of 14 per cent. copper and $4 to $10 per ton in gold, a $50 per ton ore.

The "B" ore body is being opened up on the 400 foot level, and it is reported that it is showing a replacement similar to that found in the "H" body.

Development work is being concentrated on the "H" body, so that Noranda's engineers may estimate the extent of the enlargements. The extent and values revealed by this body will undoubtedly result in a more extensive plan of underground development, and possibly alterations in the plans for the erection of the second unit to the Noranda smelter.

The first unit is working to the utmost satisfaction of the Noranda officials, who have stepped up its load from the original 500 tons a day, with which it began operations last December, to 800 tons a day at present. This mark will likely be adhered to for some time to come.

No. 1 unit is credited with a monthly output of $700,000, and it is estimated that with the second unit in production Noranda's monthly output will total $1,600,000.

Treating Amity Ore

In addition to treating its own ore, the Noranda smelter is now treating ore from the Amity Copper Mine at Boston Creek. The third car load of ore from this property has just arrived at the smelter.

Waite-Ackerman-Montgomery is to start shipping from 200 to 250 tons of ore a day to the Noranda smelter by the end of the present month.

Waite Has $10,000,000 Ore

Development work at the Waite at the present time consists of raising and putting in box holes on the 200 foot level preparatory to entering into production. An electric hoist is being installed, and the shaft is being sunk to the 350 foot level. A station is also being cut to permit the opening up of a new ore body.

It has been estimated that the Waite has $10,000,000 of ore down to the 200 foot level.

At the Aldermac shaft sinking is under way, and lateral work is to be begun on the 1,130 ft. level. This will be the lowest lateral work carried out in any of the Quebec mines to date. There has been considerable active trading in the stock recently, and although Noranda controls the greater part of Aldermac, some 19 per cent. is held by unit holders. To meet with the demands of this minority interest, it is the intention to list this stock shortly.

Will Develop Kozak Mines

Kozak Mines has made its second cash payment on its property in South Goudreau and it is understood the final payment is to be made within 30 days. W. P. Murdoch, field engineer for Manitoba and Eastern Mines, has been engaged to make a report, and development work will be carried out according to his recommendations.

Surface showings on the Kozak property are among the most spectacular found in Ontario in recent years. The mineralization consisting of lenticular quartz bodies in a rhyolite porphyry flow in which high values in gold and silver have been proven over a width of several hundred feet, and with a length as yet undetermined.

H. E. Beatty Inspects Obalski Mining Synd.

H. E. Beatty, consulting engineer, of Toronto, following his return via Fairchild aviation hydroplane to Oskelaneo with Capt. J. R. Giroux, a director of the Obalski Mining Syndicate, Limited, intimated that his examination of several of the principal properties there would result in a distinctly favorable report.

Heavy mineralization in the form of pyrites, with free gold and both chalcopyrite and malachite visible, has been exposed on all three of the properties examined by him, viz., the Obalski Mining Syndicate's twenty-six claim block, the Chibougamau-McKenzie Mines' property, on Dore Lake, and the twelve hundred foot vein on the Chibougamau Mining Company's property at Portage Island.

Both gold and silver are stated to be present in practically every sample brought out, in some instances running as high as $4.51 to the ton, with a copper content as high as 19.22 per cent.

Mr. Beatty reports the Obalski property as having not one, but two parallel veins. The original vein, varying from 8 to 20 feet in width, has been uncovered for a distance of 600 feet, and the second vein, the presence of which was established while Mr. Beatty was on the property, parallels the first for at least 400 feet. Subsequent test pits in line with the two veins indicate a continuity in excess of 1,200 and 900 additional feet respectively. Appreciable gold values have been reported in practically every panning.

Mr. Beatty also reports the arrival of the first of the Consolidated Mining & Smelting's party, who are continuing the work started last year on their properties, also on Dore Lake.

Manitoba Leaders Visit Flin Flon Mining Area

Members of the Manitoba Legislature, the Winnipeg Board of Trade, and of the Manitoba Chamber of Mines, numbering over 130 members, have just concluded a trip to the northern Manitoba mining area, during which they visited the Flin Flon mine, of the Hudson Bay Mining and Smelting Co., and the Manay Mine of the Tonopah Mining Co.

The trip was made over the Northern Manitoba Railway, the name of Manitoba's newest railway, which has been built from Le Pas to tap the Flin Flon and Sherritt-Gordon mining areas. The train on which the party travelled was the first passenger train to make the trip over the new line.

Flin Flon Mining Opportunity

A genuine and substantial opportunity for the investor.

One of Manitoba's most promising properties.

Manitoba Flin Flon Mines Syndicate

Six claims adjacent to Flin Flon on the West.

Ten claims adjacent to Flin Flon and Mandy Mines to the South.

Surface assay exceeds that of nearby mines.

Complete Information Will Be Mailed Upon Request

W. B. CUMMING & CO., Ltd.
21 King St. East,
TORONTO 2, Ontario

Profits Certain

Write for Our Semi-Monthly Market Reports.

NEVER before in the history of the mining industry in British Columbia has the investing public had such an opportunity to purchase shares in sound companies as is being offered right today.

Prices are away below value. Production is increasing rapidly and instead of a declining market, conditions at present justify much higher figures. The shrewd investor will buy without delay.

Despite the marked success which has followed our recommendations in the past, we go on record as declaring that we have never yet given sounder advice than we are now offering. Buy at present prices.

Miller, Court & Co. Ltd.

INVESTMENTS

Members Vancouver, Victoria, Calgary, Winnipeg, Seattle and Standard (Spokane) Stock Exchanges

TORONTO OFFICE: 67 YONGE STREET

Head Office: Vancouver Block, Vancouver, B.C.

GROVER DALEY HIGHLY PLEASED WITH MALARTIC

Prospecting in Past Two Months Uncovers Interesting Condition

From Our Own Correspondent

MONTREAL.—Things are looking very rosy up at the Malartic camp of Grover-Daley Mines. Henry J. Stewart, who has recently returned from the camp, reports that the prospecting that has already been done on the property has uncovered an interesting ore condition and considerable evidence of free gold.

Although the work has been in progress for about 60 days, already at two points, some 500 ft. apart, free gold has been encountered. As far as the ore tract itself is concerned, the present indications point to a body some three-quarters of a mile in length and ranging from 10 to 16 feet in width. The assays from samples already analyzed are, it is understood, proving exceedingly satisfactory.

The property on which Grover-Daley is concentrating its efforts, adjoins the Cartier-Malartic property on the north. This particular body is about a mile north of where the two properties join, and is apparently part of the centre belt of the Malartic and Fournier outcroppings.

According to Henry Stewart, there is unprecedented activity in the township at the present time—especially as the camp is yet in the prospecting stage. There are already over 500 men actively engaged on the various properties. The chief difficulty, of course, is the problem of getting supplies and equipment into the camp.

RENO MINE WILL OPERATE AGAIN

Installing New Equipment—Will Erect Pilot Mill This Summer

NELSON, B. C.—Two crews under the provisional department of public works are rushing work on the wagon-road to the Reno mine, in the Sheep Creek area, one devoting its time to widening the old "switchbacks" or more properly hairpin turns, and the other working on the final 1¼ miles to give connection with the property.

As soon as the connection is made, work will start on the new camp and mine buildings, under the program for reopening and operating on a large scale and with modern equipment the Reno mine, with its famous rich gold veins, made possible by the association of O. C. Thompson and associates with Reno Gold Mines, recently effected. The "associates" have just been disclosed as F. R. Weeks, general manager of Porcupine Gold Fields Development & Finance Company, E. P. Crawford, manager of that company for British Columbia, and W. J. Mitchell of San Francisco, president of the International Diamond Drill Company. These are the same associates who were with Mr. Thompson in the Yankee Girl operation that resulted in a new life for that now dominant gold producer. W. B. Pool, locator of the Reno, and identified with it for 20 years as manager, retains his interest.

Lumber for the camp has been ordered, and a crew is starting on construction.

Equipment to go in for the mine consists of a 600 cubic-foot air compressor capable of handling about nine drills under the conditions there, oil engine to drive it, drill sharpener, and electric light plant, which will also, of course, serve the camp.

Will Erect Pilot Mill

Metallurgical tests are now being made of the ore from the various veins, with a view to a pilot mill, which it has been now decided to erect this summer, with a capacity of not under 25 and not over 50 tons daily. It will be so constructed that additional units can be added in the future, to bring up the capacity to whatever may be required. The mill, the management calculates, should be recovering gold by the fall.

Ore is Free Milling

Sheep Creek ore is oxidized to a large extent, and the Reno veins, as so far probed, are no exception. The Reno ore is a free milling gold ore, the average value in the four drifts of the principal vein, from three separate samplings, being $70.30 a ton.

There are seven veins, averaging a 2½ foot width of ore, and maintaining this general grade wherever opened up. The main vein, in addition to its underground work, has been stripped for 1,400 feet, showing continuous ore, with ore still in each end. The six other veins of this system have been stripped at intervals over this same distance, with ore wherever exposed. An eighth vein, 20 feet wide or more, carrying ore of milling grade wherever exposed, cuts the high grade vein system. No work has been done on this one.

Of the authorized capital of $2,000,000, there has been hitherto issued 590,000 shares of $1 par. A further issue now being made will be used, in conjunction with capital in hand, to finance the new equipping and developing program, that it is hoped will make of the Reno a permanent gold producer.

Precious Metals Synd. Makes Unit Offering

The Precious Metals Mining Syndicate of Canada, has been formed for the purpose of acquiring 25 mining claims comprising some 1,000 acres situated at Rainbow Lake, in the district of Patricia.

The claims are divided into two groups, the north group, consisting of approximately 16 claims, the south group 9 claims, of 640 and 360 acres respectively. Grabs samples which displayed no visible gold are reported to have disclosed high values when assayed.

The Syndicate is capitalized at 2,400 units of a par value of $50 each. It has agreed to pay $8,000 and 1,200 units for the properties. Not more than 1,200 units are to be offered for public sale at a price of $50 no more or no less. The proceeds from the sale of the units are to be utilized for development work.

F. M. Ruggles and K. R. Campbell have been appointed trustees of the syndicate. The officers of the syndicate are: Hawford A. Miles, Conrad Theodores, J. J. Wingfelder, and Dr. J. T. O'Gorman.

Shawinigan Building Active

There is considerable activity in new construction at Shawinigan Falls just now, the Shawinigan Water and Power Company building a $125,000 extension to their Cascade Inn, and the Ursuline Convent a $140,000 addition.

Exploration Company Plans Investigations in Nova Scotia

The Scotia Mining Exploration Co., in which the Huronian Belt Co. has a substantial interest, has been formed for the purpose of thoroughly investigating the metallic mineral resources of the province of Nova Scotia. A number of outstanding Nova Scotia business men are behind the new company and have been appointed to the board of directors.

The Scotia Mining Exploration Co. is capitalized at $100,000, and of this amount the Huronian Belt has subscribed $30,000, the remainder being taken up by private individuals, mainly in Nova Scotia.

Prospecting and development work is to be carried out under the direction of the Huronian Belt Co., and if the results obtained indicate the prospects may develop into mines, this company will take over the work independently of the Exploration Co. and assume all financial obligations. The Exploration Co. will retain an interest in the properties.

Board of Directors

The officers and directors of the Scotia Mining Exploration Co. are: President, H. R. Silver, Halifax; vice-president, J. H. Winfield, Halifax; treasurer, M. S. Clarke, Halifax; secretary, Col. E. C. Phinney, Halifax; directors: R. S. Denning, Toronto, managing director Huronian Belt Co.; W. H. Stafford, Almonte, Ont., vice-president Keeley Silver Mines; J. W. MacLeod, New Glasgow, N.S.; Hon. W. A. Black, Halifax; L. E. Shaw, Wolfville, N.S.; Prescott Baker, Yarmouth, N.S.; Dr. J. G. MacDougall, Halifax; W. H. Dennis, Halifax; J. W. Cumming, New Glasgow; and Frank Stanfield, Truro, N.S.

TULAMEEN GOLD DECIDES TO DRILL ITS PROPERTIES

Makes First Shipment of Black Sands and Concentrates

The Tulameen Gold and Platinum Recovery Co., which is carrying out pioneer placer mining on the Similkameen River above Princeton, B.C., and the Tulameen River, B.C., will drill its properties to prove the advisability of obtaining a dredge.

Geo. V. Tupper, a successful mine operator, who has put considerable money into the venture, has been placed in full charge of the work. A new steam shovel and recovery plant is now in operation, which the company states can, with some alterations, handle a minimum of 300 yards a day.

A first shipment of black sands and concentrates has been made, and further shipments will be made regularly for some time. The results obtained from the black sands and concentrates will determine the future plans of the company.

The Tulameen Gold and Platinum Recovery was organized some two years ago and reorganized last winter. Under the new management, a number of new leases have been added to the company's holdings. The company states it is satisfied that the values and black sands are recoverable in paying quantities but as the work is absolutely new in this district, the proper manner of handling these on a dividend paying basis has yet to be determined. It is certain that a dredge is the solution of the problem of large returns, but as this would necessitate a large expenditure of money, plans have not yet been devised to finance such an undertaking.

FLIN FLON MINE READY TO BUILD POWER PLANT

Work Will Start When Railroad Reaches Flin Flon

Construction of Flin Flon Mines' power plant will be begun just as soon as the Northern Manitoba Railway reaches Flin Flon, states R. E. Phelan, vice-president and general manager of the Flin Flon company.

All the grading and bridge work has been completed from Cranberry Portage to the Flin Flon and it is expected the first train will be run into Flin Flon by the end of September or early in October.

Island Falls has been selected as the site of the power development and a party of surveyors are in the field at the present time obtaining further knowledge to supplement that obtained in previous surveys to determine the best route for the power line from Island Falls to the mine.

Steel towers will support the high tension wires that are to carry the electric current. The line will be approximately 60 miles long, although the air line route is only 54 miles. The initial development will provide 36,000 h.p., of which amount Flin Flon will use 30,000 h.p. and the remainder will be available for the development of other mines in the district,

It is estimated that 25,000 tons of material will be required to take care of the construction called for in the initial development. No contracts have been let for the construction, but this matter merely awaits the decision of the board of directors.

Will Build Model Town

Speaking of the Flin Flon townsite, Mr. Phelan stated the intention was to make it as entirely sanitary and fireproof as possible. Water, sewage and electric light systems will be installed, and, at the outset at least, the company will only allow a type of building in keeping with its requirements to be erected. The company is to erect a large number of buildings itself to take care of its employees. It is anticipated the new town will have a population of around 5,000. By the end of next December the company will be in a position to receive applications for lots in the townsite. The majority of the lots will be 50 by 100 feet.

Several names have been considered for the new town, among others Whitney, Bracken and Phelan, but no definite selection has yet been made. The site of the town is 9,000 feet away from the smelter plant, on the shores of Ross Lake. Flin Flon Creek will run through the town and empty in the lake.

Central Manitoba's Annual Meeting

Central Manitoba Mines will hold its annual meeting in Winnipeg, July 7. Shareholders will be called upon to vote on an amendment to the company's by-laws which has for its object the changing of the company's fiscal year from Dec. 31 to April 30.

N.A.M.E. Ship Sails for Hudson Bay

The "Patrick and Michael," Northern Aerial Minerals Exploration's "treasure ship," sailed from Saint John, N. B., this morning for Hudson Bay. It carries a party of 22 prospectors who are to explore the mineral areas on each side of the Bay. Captain H. A. Oakes, is leaving by airplane for Fort Churchill with four prospectors who will work in the Chesterfield Inlet area.

Col. Jack Leckie has been appointed manager of N.A.M.E.'s Manitoba operations.

SHERRITT-GORDON MAKES PROGRESS SHAFT-SINKING

East Shaft Down 240 and West Shaft 180 Feet

Sherritt-Gordon has its east shaft down to a depth of over 240 feet and the west shaft down to over 180 feet. Stations have been cut in both shafts at the 125 foot horizon and drifting is being done on both faces in each shaft. A station will be cut at a depth of 250 feet in the east and at 275 feet in the west shaft.

Sherritt-Gordon recently added the Red claim and Oak claim to its holdings, thus straightening out the line of the property and giving the company a continuous stretch of four miles along the ore zone.

Diamond drills are reported to have cut excellent ore on the west end and good ore on the east end of the 500 ft. level.

Two diamond drill holes have been sunk to a depth of 1,000 feet and it is reported they both cut good ore while the information obtained from the drilling indicated the same geology obtains at depth as that encountered on the upper levels.

Sherritt-Gordon has built a substantial two story office building to be used as a general office, a bunk house with accommodations for eight of the staff, and a two story laboratory.

Concentrate on Shaft-Sinking

Just at present all efforts are being concentrated on shaft-sinking. The equipment at the West shaft now consists of two Diesel-Ingersoll-Rand engines of 110 h.p. each, also an auxiliary gasoline engine. Two of the same type of engines are installed at the East shaft, where the auxiliary engine here is steam driven. Both mining plants will permit of shaft sinking to a depth of 1,500 feet.

A new vein is reported to have been discovered near the West shaft to the north and paralleling the main vein, from which some interesting gold values have been obtained.

A force of 200 men are now employed at Sherritt-Gordon, and according to C. D. Kaeding, consulting engineer, the future prospects of the property, are very fine.

Noranda Town Is Growing Fast

The construction programme at the new town of Noranda, Que., which is springing up around the big Noranda Smelter is going on apace. The Horne Copper Corporation which is controlled by Noranda has already erected some forty dwellings for workmen, and proposes building forty more. The steel work for the new $150,000 50-room hotel, is about completed, and contracts have been let for the building of two four-room schools, a Protestant, and a Roman Catholic. The new school buildings will house some two hundred pupils. Considerable private construction is also going on.

While Noranda is booming, the old pioneer town Rouyn is on the down grade, a number of the original mining companies which entered this area have not met with the success that was first anticipated, and have transferred their attention to other fields. The Rouyn boom has subsided and a great many are seeking other fields. A recent visitor to Quebec's first mining town was told that over one thousand people had moved away during the last month.

CLERICY CONS. MAKES NEW FIND IN FRECHETTE TP.

Prospectors Locate High Grade Outcrop of Copper Ore

A discovery of high grade chalcopyrite on surface was officially announced this week from the head office of Clericy Consolidated Mines, Limited, in Ottawa. Rumors of this discovery have been in circulation for several days but lacking official information, they were, to a certain extent, discredited. In view of the apparent importance of the discovery and in the interests of shareholders, the company has authorized the following statement:

Official Statement

"A party of prospectors under the supervision of the resident engineer of Clericy Mines in Sudbury has located in the township of Frechette, about 60 miles north of Sudbury and two miles from the Canadian National Railway, what appears to be an important outcrop of commercial ore. The values are largely in copper and preliminary assays have run from over $30 to nearly $60 to the ton. The discovery was made in a creek bed and appears to be of mining width. It has been traced along its strike for approximately 50 feet, but owing to the fact that it disappears beneath the swamp, further exploration will not be possible till the water has receded. It is hoped that the surface water will have gone down sufficiently during the next two weeks to permit the outcrop being adequately opened up. The company has acquired approximately 360 acres which will give it a length of one mile along the strike of the mineralized zone.

The new discovery is high grade and is easily accessible from the railway, a good road leading into the property. On the surface it is apparent that the deposit is located in a fractured zone of considerable extent. Assays from the surface sampling showed high copper values with tracings of silver. It is hoped that further surface work and diamond drilling will reveal a higher precious metals content with depth.

The Clericy property in Trill township, west of Vermilion Lake, is also being actively explored and a second drill hole is now under way in the northern claims of this property. It is at present at a depth of approximately 150 feet and it is thought that it will enter a wide mineralized zone exposed across a width of 400 feet on the surface, at a depth of approximately 250 feet.

B.C. DEVELOPMENT DEMAND ERECTION OF COAST SMELTER

Rumor Persists Consolidated Smelters Plan Such Construction

The recent visit of J. J. Warren, president of Consolidated Mining & Smelting Co., and W. M. Archibald, mine manager, to Vancouver, following a visit of inspection to the Coast Copper and Big Missouri mines, has again given rise to a rumor that the company will build a second smelter on the coast.

The recent strike of bornite on the 900 and 1200 foot levels at Coast Copper is reported to have started Smelters officials buying in this stock quietly. Buying orders from the East have again set Coast Copper climbing, and the majority of the stock is now held there, apart from the block of 200,000 shares held by Smelters.

That Smelters will build a smelter on the coast is a foregone conclusion in the minds of many. Developments at Coast Copper and Sunloch mines on Vancouver Island, the Allenby in the interior, and Big Missouri and George Copper, as well as several other operations in the Portland Lake district, point to the urgent necessity of a smelter, and Consolidated Smelters would seem to be the logical company to build one.

Surveys have already been made by Smelters' engineers for a projected railway from Coast Copper to Quatsina Sound on the west coast of Vancouver Island, and a preliminary survey of a route along the east coast has recently been completed. The terminal on the East coast it is thought, will be somewhere in the neighbourhood of Port Hardy.

B. C. Payroll Grows

The records of all previous years were eclipsed in 1927 by the payroll of British Columbia's industries, according to the figures given in the report of the Department of Labor by J. D. McNiven, Deputy Minister. The total payroll for 1927 from 4,597 industrial concerns was $177,522,757.14, as against $175,173,836.47 in 1926.

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McKinley Darragh Mine at Cobalt is Purchased by Mining Corporation

One of Oldest Silver Properties in Ontario Camps

TREATING 150 TONS

Operations Hold Up Well at Mining Corporation's Own Holding in Cobalt

The mining rights of the McKinley-Darragh-Savage Mines at Cobalt have been acquired by Mining Corporation of Canada, as a result of a deal that has just been concluded between Mining Corporation and the McKinley Mines Securities Co., the holding company for McKinley-Darragh-Savage. The terms of the deal have not been disclosed.

McKinley-Darragh-Savage is one of the oldest silver operators in the Cobalt district, which in its day paid thousands of dollars in dividends to its shareholders. After mining 24 years the operations were finally terminated and the company wound up last December. McKinley Mines Securities Co. was then formed as a holding company which took over all the assets of its predecessor, which was thus converted from a mine operating company to what practically amounts to an investment trust. Old shareholders received one share in the new company for four of the old.

The company's holdings consist of 160 acres at the south end of Cobalt Lake, the Savage Mine on the east end of Cart Lake, 40 acres in Buck Township and Bennet claim.

The company mined 40 acres in the south part of the Cobalt area down to the 450-foot level, but the mine operations for 1927 were concluded at a loss owing to the drop in silver. The market price for silver between the months of January and May, 1927, dropped six cents, and as the mine was believed by the directors to be practically exhausted, it was determined to discontinue operations. Some high grade silver which had been left in place in supporting pillars was therefore removed, and all the available ore mined and milled. The plant was then dismantled and sold.

Engineers Recommend Purchase

Since that time the price of silver has advanced, and the Mining Corporation's engineers after examining the property recommended the purchase of the mineral rights to their principals, and the directors of Mining Corporation have acted accordingly.

Mining Corporation's operations

(Continued on page 18)

Would Control Moffatt-Hall

Moffatt-Hall directors have under consideration an offer made by what is said to be one of Canada's largest mining organizations whereby the latter would put a million dollars in the treasury in exchange for control of the stock.

It is understood Moffatt-Hall will require further financing to carry on the full development of this property, and there is a strong probability of the present deal going through.

Development work is going on steadily and some promising outcrops have been uncovered on surface. Nothing of a spectacular nature has been encountered, however, since the diamond drills cut high grade some time ago.

MONELK MINES WILL ISSUE STOCK TO SHAREHOLDERS

Monelk Mines, is to offer the balance of the treasury stock, 400,000 shares amongst shareholders of record August 1, 1928, on a pro rata basis at the price of 25 cents a share. This will provide the treasury with $100,000 for further financing, which the directors state should be ample to bring the property to production, granted the present satisfactory results continue.

It is expected the rights will be divided into four classes, A, B, C and D., and that the rights will be called at four intervals on 25 per cent. of the number of shares held by each shareholder.

The directors announce the intention of having the stock listed on a recognized exchange on or before September 1.

Monelk Mines was incorporated over six months ago, and active development of its property near Elk Lake, Ont., was begun. One of the most important problems affecting the success of the venture was erosion, and geological conditions exposed in the course of shaft sinking would appear to have satisfactorily settled this problem.

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3. Finances — the treasury position of the company is sound. Two initial stock offerings have been taken up. A third offering at 30c a share is now available to cover the further expansion programme.

Diamond drilling is now under way to prove at depth the excellent surface showings which assayed $13.80, $60.40, $76.40 in gold per ton over a width of 4½ to 5½ feet. A section of one drill core at a depth of 80 feet assayed $281.20.

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KIRKLAND LAKE IS OUTSTANDING ON CONTINENT

Is Gaining Rapidly on Older Porcupine Area

A review of Kirkland Lake Camp appearing in The Financial Post Survey of Mines just published, says:

"Kirkland Lake Gold camp, while running second to Porcupine in the matter of Ontario gold production, is undoubtedly the outstanding gold camp of the continent. It is gaining steadily on the older area to the north, and in addition to the rapid expansion of its producers, has a large number of solid, well-sponsored operations coming along, that give every promise of adding very materially to the number of producers. This would apply to almost every section of the camp, except perhaps the area south of the producers where exploration has not been on the same scale as the other parts.

Bidgood Area Prominent

"The Bidgood section which came into prominence in the early part of 1927 continues to stand out. It has steadily gained momentum, with the considerable measure of success that is being met with steadily encouraging others to undertake work. It is estimated that from $1,500,000 to $2,000,000 will be spent in exploration and development in this part of the camp during the present year. Bidgood is the outstanding property. Lebel ore which was recently optioned by Nipissing and is now in charge of that company's staff, looms large. Pawnee and Conroyal are real good-looking propositions, Cambro, Wright-Carrol, Moffat-Hall, Gordon-Lebel, Seneca are others. An important development has been the optioning of the old Wood-Kirkland group, later known as Kirkland Gold Belt by N. A. Timmins Inc. Unfortunately litigation has developed over the purchase of the option between those who sold to the Timmins and the former holders and this has had a tendency to retard this attractive looking venture.

Good Results Farther East

"Farther to the east toward the Northland and Walsh Katrine, two new operations have been undertaken, Murphy Mines and Ritchie, both of which are looking very well. It is believed also that others will operate in the area later. North of the producing section in the Goodfish area considerable work is being done.

"The Ben Nevis area looms promising. There are three operations going on in the section and several others are contemplated. Geological and engineers' preliminary reports suggest the possibility of opening up base metal deposit of considerable magnitude.

"Argonaut area received a sad blow early this spring when Argonaut Consolidated Mines announced that it would shut down. The reason is that it failed to find sufficient ore on the old Huronia property. Whether it will undertake exploration on its own group adjoining, remains to be seen.

"Larder Lake section has two ventures. Canadian Association Goldfields which has fallen on evil days, after getting its mill running, and Crown Reserve. The latter is one of the most attractive exploratory efforts going on in the north. It is in good hands.

Producers Expand Steadily

"As for the producing section, Teck-Hughes and Lake Shore monopolize the favorable news, whereas Kirkland Lake Gold on the west of these two and Wright-Hargreaves on the east have both had a rather trying market experience. Heavy selling, said to have been as a result of some insiders' liquidation to use their funds for another purpose, started Wright-Hargreaves' decline, while Kirkland Lake Gold has been the subject of considerable adverse propaganda. Sylvanite has been stepping along quietly while Tough-Oakes-Burnside is reported to have met with considerable success in its search for new ore bodies. There is considerable new activity in this section. Continental has been reorganized and is working again; Federal Kirkland is carrying on an aggressive exploration, while in the Gull Lake area to the east there are two new ventures going with the promise of others.

"Boston Creek section, which is a few miles to the south, has about a dozen exploratory efforts driving ahead. Mining men have evidenced considerable interest in this camp of late and if Barry-Hollinger comes through, as present developments indicate it will, the activity in the section will increase materially.

Boston Creek Operations

"Boston Creek can hardly be regarded as a proven section as yet, despite the fact that there are two mills operating, Barry-Hollinger and Gold Hill. Neither operation can be said to have ore reserves, each going along on an almost day to day basis. However, a few of the favorable breaks, sometimes encountered, could change the outlook for these companies almost overnight. As for the other operations, practically all are in the early stages of development and while all have some excellent looking ore, they are considerably removed from the mine class yet. Boston Creek has always been regarded as a gold camp—but development on a couple of properties shows an appreciable amount of copper, and it may be that in the end, base metals will outshine the gold."

McKINLEY DARRAH AT COBALT PURCHASED BY MINING CORP.

(Continued from page 17)

on its own property are holding up well, and the mill is treating 150 ton of ore a day, and everything is going along satisfactorily.

During the past year Mining Corporation carried on extensive development work on its Cross Lake property. A shaft was completed to a depth of 400 feet and cross cutting carried out in four directions in Cobalt series sediments near the Keewatin contact. A number of calcite veins were exposed but no silver values of commercial grade were obtained, and the work was therefore discontinued some two months ago.

Owns Property Near Noranda

The main interest in Mining Corporation's holdings outside of its Cobalt and South Lorrain properties, is now centred on the Murray property north of the Noranda. This ground is now undergoing an intensive prospecting campaign, and every bit of knowledge to be gained from surface exploration is being carefully studied.

A vein on the easterly section of the property which was discovered in the early days of Rouyn, has recently been traced by trenching for a distance of 500 feet. The vein is said to average five feet in width, and samples taken across a section seven feet in width is reported to have yielded high assay values. The Murray property was originally purchased by the United Verde Extension Co., a subsidiary of the United Verde Co. This company sank a two compartment shaft to a depth of 235 feet within 20 feet of the Noranda boundary. Some 1,525 feet of lateral work was carried out on the 215 foot level, but the company recently relinquished its interests in the property and they were acquired by Mining Corporation.

The old operators centered their attention on the south westerly section of the property and no work at all was done on the vein Mining Corporation is now examining.

Mining Corporation is watching developments at the Harker Mine in the Lightning River district with interest in view of the fact that it holds a group of claims in close proximity to the Harker.

Mining Corporation's action on the stock market continues to run true to form. There has been very little trading in stock but the recent rise in Hudson Bay Mining and Smelting, of which it owns 185,449 shares, is credited with reviving interest in this stock.

HARVIE OFFERS CONVERTIBLE BOND TO SHAREHOLDERS

Says They Must Put Up $250,000 to Make Mine Success

Harvie Mining Company directors have notified shareholders of an issue of $250,000 of bonds to raise new capital.

Directors are offering for subscription income mortgage debentures to an amount not exceeding $250,000.00. These debentures are to be secured by a hypothec on all properties and equipment. It is intended that the debentures will be issued in July, 1928, in denominations of $1. Non-cumulative interest will be paid at the rate of 6 per cent. per annum, provided that this company's earnings, during the period over which the interest is payable, are greater than the accrued interest.

The maturity date will be two years from date of issue. Subsequent to January 1, 1929, until maturity, these debentures may be exchanged at any time for common stock at the rate of four shares of stock for each one dollar of par value of debentures held.

The debentures are being offered to the shareholders first and the shareholders of record at the close of business on July 10, 1928, have the right to subscribe for $1 debenture for each five shares of stock held in the company.

Should the debenture issue not be fully subscribed by the shareholders, the board of directors reserve the right to take up the remainder themselves or offer them to the general public on such basis as they may determine.

Payment for debentures may be made on the installment plan: 50 per cent. with the subscription, 25 per cent. on August 10, 1928, and 25 per cent. on September 10, 1928. Should any shareholder wish to subscribe for more than he is of right entitled to by reason of his present holdings, he may do so, but only on the understanding that his subscription will be allowed proportionately if there be an unsubscribed balance.

The monies paid in on subscriptions will be paid into the Montreal Trust Company and the directors say that unless a minimum total sum of $150,000.00 is subscribed for these debentures, the business of the company cannot be effectively carried on and such money as has been received, will be paid back, without interest, to the subscribers, less the cost of deposit, etc.

"It is hoped," says the letter, "that every shareholder will subscribe for his proportion in order to provide necessary finances for the future development. If shareholders will do this and the development on the property should prove a mine, then the right of exchange of debentures for shares will prove very profitable

"On the assumption that shareholders do subscribe as recommended, the company will be in sufficient funds to carry on the development work for a period of about a year, on a monthly budget system, on the Clericy properties.

"The majority of the members of the committee who have loaned the company $50,000.00 have consented to take debentures for the amount of their respective loans. It is, therefore, most important that the general shareholders subscribe to a minimum amount of $150,000.00 additional immediately.

"As considerable delay has occurred in the exploration and development work so far during the most valuable season of the year for the work, it is hoped that the shareholders will take immediate advantage of this offering so that operations may be resumed at Clericy at as early a date as possible."

A letter to shareholders of Archean Mines Development Company says:

"As you are already aware, by the agreement of sale approved by your directors, along with other considerations your company received a large block of stock in the Harvie Mining Company. We are given to understand that distribution of this stock will be made in the next few days at the rate of eight shares for each one (1) share of Archean stock you now hold.

"An issue of income mortgage debentures, authorized at a recent special general meeting, is now being made and so that you may avail yourself of the rights accruing to shareholders of the Harvie Company, we are enclosing herewith a copy of our circular dated June 27th, 1928.

"In the event of developments on the Clericy properties proving a mine, the rights of exchange of these debentures for shares will prove very profitable and it is hoped that every shareholder will subscribe his proportion, namely, $1 of debenture for each five shares of stock held in the company."

Aldermen Jam Through Senator Webster's Deal

From Our Own Correspondent

MONTREAL. — The aldermen of Montreal have finally decided to jam through the purchase of the Montreal Water and Power Company at the price recommended by the board of arbitration some months ago.

However, a committee of private citizens of Montreal have instituted action in the superior court to set aside the award of the board of arbitration. Whatever action the city, through its council, has taken, will affect in no way the rights of the citizens who have entered suit in the courts to prevent the city paying an exorbitant price for the property.

The Montreal aldermen have agreed to purchase the property at a price which is several million dollars higher than its value as appraised by those who held it for 25 years, and by other expert engineers. But the matter is still to be fought out in the courts. The question of the competency of the arbitrators and the reasonableness or otherwise of their judgment is still to be determined.

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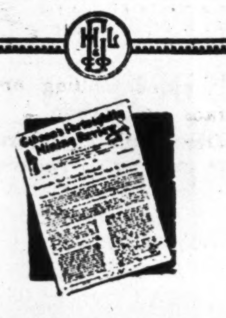

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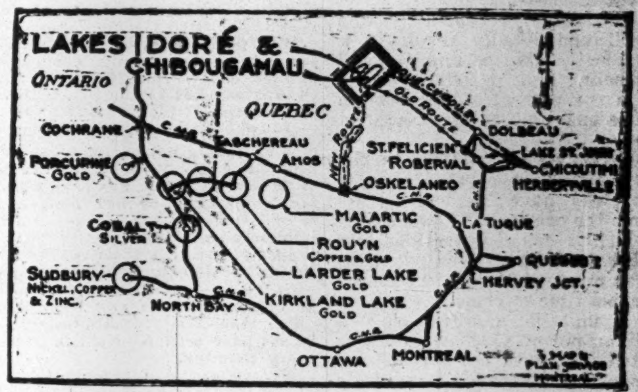

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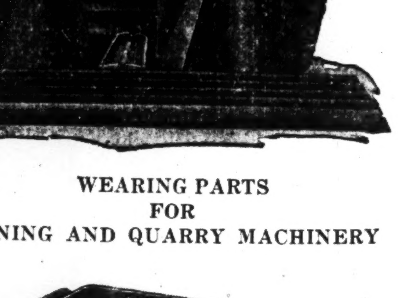

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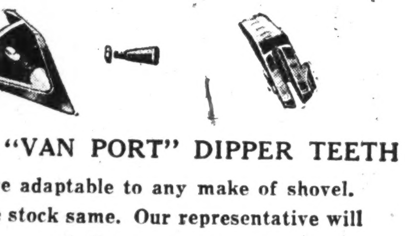

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Drifting has begun on the vein east and west from the tunnel. Engineer also advises that the pipes to carry the air from the compressor to the drills on the Free gold zone 950 feet to the south have arrived and are now being placed in position.

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Mining Inquiries

Quebec Centre Mines

As a regular reader of your paper I should appreciate any information you can let me have regarding Quebec Centre Mines.

Quebec Centre Mines is a prospect in the Rouyn Area. Development work is only in the initial stages—but the operators appear to be making a sincere effort, and while this is a gamble, it is one which you will doubtlessly be given a good run for your money.

Kootenay Florence

I am interested in the Kootenay Florence Mines, and would be pleased to have your opinion on it.

Kootenay Florence is carrying on extensive development work and indications are that a purchase of this stock may prove a promising speculation.

Moffatt-Hall

Would you please let me have your opinion on Moffatt-Hall?

Moffatt-Hall is a prospect in the Kirkland Lake camp that has secured encouraging results in diamond drilling. It is well located from a geological standpoint.

Home Oil

What do you think of Home Oil as a purchase?

Home Oil is a promising speculation in good hands. The property is located in the Alberta Oil Fields.

We understand that the company has met with considerable success in its drilling operations and that it is meeting with encouraging results, since it has entered the distributing field.

B.C. Coal and Oil

We should be glad if you would favor us with information regarding B. C. Oil and Development Co. Is there any truth in the rumor that they have struck oil? What are the prospects for the future?

Our information is that B. C. Oil and Coal Development Company have recently struck a large flow of gas and some oil at a depth of about 1100 feet. W. M. Cassady, field manager, stated at a recent shareholders' meeting that he expected that oil would be reached in quantities at a depth of perhaps 3,000 feet. We consider purchase of this stock as highly speculative.

Wright-Hargreaves

I would like to have your opinion on Wright-Hargreaves. Is it true that the next dividend is to be passed? Do you think I should sell my stock, or should I take on some more to average up my losses?

Only the directors of Wright-Hargreaves are in a position to state whether the next dividend is assured. Some doubt seems to be entertained by the general public in regard to this matter, but the directors have given no indication as to what course of action they intend to pursue.

Earnings during the first half of the year, it is said, were not sufficient to provide for the dividend distribution at the rate of 5 per cent. quarterly. This was due to the fact that low average grade ore was encountered in development work, but recently some very high grade has been met with and things at the mine are looking much better. The company is in a position to pay the dividend out of surplus, but it may be that rather than draw on the treasury surplus, dividends for the current quarter will be passed.

Well informed opinion has it that Wright-Hargreaves is now in a position to stage a strong come-back and that eventually the stock will sell up to higher levels.

International Nickel

What do you think of International Nickel as a purchase at its present price?

International Nickel at the present price is considered an excellent purchase for a long hold.

Sound Stocks

Having received your paper for the past 15 years through the Royal Bank of Canada, I would appreciate your opinion on Castle Trethewey average price $1.29 Wright-Hargreaves, average price $6.25; and Amulet, average price $4.10. Would it be advisable to sell these at the prevailing prices, placing the proceeds either in Noranda or Sherritt-Gordon?

The three stocks you are now holding are good stocks, and the two you propose purchasing are sound as well.

We will leave it to you to decide what is your best course of action.

Pre-Cambrian

What do you know about Pre-Cambrian Holdings?

The Pre-Cambrian properties in Quebec are well located from a geological standpoint, and interesting developments are going forward on the adjoining Cartier-Malartic and Thompson-Cadillac properties.

The company has several outstanding Canadian business men on its board of directors, and while at the present stage it is a gamble, we believe that the possibilities of the property will be thoroughly tested out under this management.

As to the company's Ontario holdings in Larder Lake the possibilities here are not so bright. Associated Goldfields has been placed in bankruptcy after spending a great deal of money in attempting to make a mine. Crown Reserve is still pushing forward development work, but results to date have not been over encouraging.

MINING STOCK QUOTATIONS
Week Ending July 3

	Par Val.	Div. Rate	Yield	High for wk.	Low for wk.	Close July 3	Sales for wk.	Range 1927 High	Range 1927 Low	Range 1928 High	Range 1928 Low
Abana	1	....	....	2.75	2.55	2.58	37332	4.90	.20	3.95	1.75
Aconda	1	....	....	.18	.16	.18	67200	.45	.14½	.47	.16
Afton	1	....	....	1.97	1.94	1.97	8500	1.36	1.00	1.97	1.25
Algonquin	1	....	....	.01½	.01¼	.01¼	4600	.05¼	.02	.03	.01
Amity C.	1	....	....	.52½	.51	.51	67940	.50	.24½	.54	.24
Amulet	1	....	....	4.05	3.65	4.00	86503	7.10	.85	5.20	3.00
Apex	1	....	....	.05½	.05	.05½	17500	.10	.01	.09	.03
Area	1	....	....	.32½	.30	.31	54950	1.93	.23	.36	.14
Argo. Con.	1	....	....	.06½	.05	.06¼	28750	.59	.25	.34	.04
Arno	1	....	....	.30	.25	.28	141400	....	....	.37	.15½
Atlas	1	....	....	.02¼	.02	.02⅛	7000	.07	.02	.04¼	.01¼
Ankerite	1	....	....	.35	.35	.35	200	1.25	1.15	1.23	.25
Albain M.	1	....	....	....	....	....	....	....	....	.50½	.20
Bayview	25c	....	....	.08¼	.06⅞	.08½	62700	....	....	.12	.06¼
Bagamac	1	....	....	.17	.16½	.17	1500	.19	.06	.17	.05
Baldwin	1	....	....	.02¾	.02	.02¾	36600	.05½	.01	.03½	.02
Barry Holl.	1	....	....	.70½	.59	.67	309700	1.50	.25	1.50	.53
Bathurst	None	....	....	.23½	.21½	.23	14600	....	....	.35	.21
Beaver	1	....	....	1.08	.91	.99¾	6300	2.75	.59½	2.25	.91
Bedford	1	....	....	.39	.35	.38	56100	.53	.19	.54	.32
Bellellen L.	1	....	....	....	....	....	....	.23½	.03	.03½	.02
Bidgood	1	....	....	.75	.66	.75	117725	1.83	.05	1.60	.61
Big Horn	.	....	....	.25	.25	.25	1000	....	....	.44	.25
Boischatel	None	....	....	.02½	.02¼	.02¼	28100	.27	.03	.05	.01¾
Big Missouri	1	....	....	.65	.45	.57	186300	....	....	.90	.45
B.C. Devel.	.	....	....	....	....	....	....	1.32	1.12	2.00	1.32
Buckingham	1	....	....	.07	.06⅞	.06⅞	19600	.09½	.03	.08⅛	.04½
Bunker Hill	None	....	....	....	....	....	....	....	....	.35	.35
Bower M.	1	....	....	....	....	....	....	....	....	1.22	.75
Cartier Mal.	1	....	....	....	....	....	....	....	....	.30	.29
Cambro	1	....	....	.45	.45	.45	1500	.58	.55	.55	.29
Can. Lorraine	1	....	....	.12	.10	.10	3200	.12	.10	.21	.10
Capitol S.	1	....	....	.12½	.12	.12	6900	.34	.14	.18½	.12
Capitol R.	1	....	....	.12¾	.11½	.12¼	49700	.54½	.10	.18	.11½
Castle Tre.	1	....	....	.57	.55	.55	4200	1.27	.61	.81½	.53
Cen. Man.	1	....	....	1.23	1.16	1.20	21550	2.30	1.07	1.95	1.16
Chaput H.	1	....	....	.12½	.11	.12	39200	.20	.04⅛	.18	.08⅛
Clericy	None	....	....	.18¼	.10	.15	51500	.31½	.31	.36	.10
Clifton	1	....	....	.02	.02	.02	100	.03½	.00½	.02	.01
Coast Copper	5	....	....	47.00	32.50	45.00	7835	43.25	9.75	60.00	28.00
Col. Kirk.	1	....	....	.03	.02	.02	28600	.16	.01½	.09½	.02
Coniagas	5	....	....	4.75	4.75	4.75	275	5.05	3.20	5.50	4.50
Coniaurum	5	....	....	4.60	4.50	4.50	162	5.78	2.80	5.50	4.10
Cons. Smelter	25	10+40	4.88	263½	254½	256	1603	274½	215	289½	251
Cons. Copper	.	....	....	....	....	....	....	....	....	.14½	.10
Cork Prov.	25c.	....	....	.31½	.27	.30	50600	....	....	.47	.25
Copper Hill	1	....	....	....	....	....	....	.68	.36	.46	.44
Corona	1	....	....	.06	.05	.05⅞	72200	.37	.10	.16	.05
Crown Res.	1	....	....	.47	.45	.46¼	29871	.80	.39	.70	.39
Davidson	1	....	....	....	....	....	....	.03	.01	.03	.03
Dunwell	1	....	....	.22	.20	.22	5700	....	....	.35	.20
Dunkin	1	....	....	.38	.36	.38	3500	....	....	.55	.30
Dupuy	1	....	....	....	....	....	....	.79½	.09	.10½	.10
Destor	1	....	....	....	....	....	....	.43	.20	.28	.20
Dome Mines	None	$1	11.80	8.50	8.25	8.47	1150	14.60	6.85	13.35	8.25
Dom. Kirk.	1	....	....	.02	.01½	.01⅞	9000	.12½	.01½	.06½	.01
Don. Rouyn	1	....	....	.14	.11	.13	11400	.56½	.17½	.22	.10
Dubec	1	....	....	....	....	....	....	1.48	.35	.72	.40
Duprat	1	....	....	.07	.05	.06½	64450	.21	.19¼	.12½	.05
Duthie	1	....	....	1.21	1.15	1.15	3400	....	....	1.40	1.00
Everett	1	....	....	.02	.01½	.01½	2000	.05½	.01¼	.03	.01½
Federal Kirk.	1	....	....	.55	.49	.49	9900	.78	.40	.77	.49
Fiske	1	....	....	....	....	....	....	.30½	.05	.10	.03
Geo. Copper	1	....	....	3.00	2.90	3.00	925	....	....	6.00	2.50
Goldale	1	....	....	.31½	.28	.31	16200	.57½	.20	.44	.28
Gold Hill	1	....	....	.11½	.10	.10½	68851	.54	.22	.38½	.10
Gold Reef	1	....	....	.03	.02¼	.02½	8100	.02½	.01½	.03	.01
Goodfish	1	....	....	.49	.47	.47	38050	....	....	.78	.41½
Golconda	1	....	....	.77	.70	.77	18250	....	....	.95	.69
Graham	1	....	....	.35	.33	.33	11400	....	....	.40	.30
Granada R.	1	....	....	.22½	.20	.21½	52600	.41	.14½	.35½	.20
Grover Daley	1	....	....	.13	.08½	.11¼	92750	.37	.08	.15	.07
Grandview	50c.	....	....	.42½	.32	.39¼	122500	....	....	.87	.31
Harker	1	....	....	....	....	....	....	....	....	.43	.41
Harvie Exp.	None	....	....	.10	.10	.10	75	2.40	.50	.85	.10
Hecla	1	....	....	....	....	....	....	....	....	1.30	.95
Hillcrest c.	100	6	9.23	....	....	....	....	65.00	50.00	65.00	65.00
Hillcrest, p.	100	7	7.77	....	....	....	....	90.00	81.50	90.00	85.00
Hilltop	1	....	....	.13½	.10	.13	21100	.25	.06½	.23½	.09¼
Hollinger	5	26	9.44	14.25	13.40	13.75	8389	22.65	16.40	18.10	13.40
Howey Gold	1	....	....	.83	.68	.80	181585	1.78	.42	1.91	.61
Hudson	None	....	....	19.75	17.40	19.60	73092	....	....	23.25	16.40
Indian	1	....	....	.06¼	.05¼	.06¼	7000	.12	.04	.15	.04½
Int. Nickel	25	$2	2.10	95.50	91.75	95.00	35866	90.25	38.00	103.75	73.75
Jackson M.	1	....	....	.75	.72	.74	22200	.86	.36	.88	.65
Keeley	1	8	13.11	.62	.61	.61½	1550	1.66	.69	.85	.50
Keora M.	1	....	....	.02¼	.01¾	.02¼	11250	.13½	.02	.05	.01
Kirk. Hunt.	1	....	....	.10¾	.09¼	.10½	81000	.35½	.10	.26	.09¼
Kirk. Lake	1	....	....	1.60	1.50	1.51	40960	3.06	.82	2.75	1.50
Koot. Flor.	20c.	....	....	.27¼	.25½	.26½	122200	.31	.21	.47	.25
Kirk. Prem.	1	....	....	....	....	....	....	....	....	.40	.14
La Rose	1	....	....	.07	.07	.07	1000	.12	.03	.08	.03
Lake Shore	1	.80	3.55	23.15	22.15	22.50	5105	28.20	15.40	27.70	21.15
Lebel Ore	1	....	....	.27	.21	.21	4500	.66	.30	.59	.21
Laval	1	....	....	.21	.14½	.15½	134950	.59	.19½	.28	.14½
Lorrain C.	1	....	....	.01½	.00¾	.01¼	10000	.03¼	.01	.03	.00½
Lorrain T.L.	1	....	....	....	....	....	....	.86	.52	.70	.30
Lucky Jim	10c.	....	....	.32½	.27	.29	37350	....	....	.44	.26
McLeod R.	.	....	....	....	....	....	....	....	....	.30½	.34½
Moffatt Hall	1	....	....	.18	.15	.18	85510	....	....	.35½	.15
Mandy	1	....	....	2.75	2.60	2.70	28105	....	....	3.50	2.60
Macassa	1	....	....	.34	.32	.32	28700	.69	.18	.55½	.32
Malartic	1	....	....	1.34	1.20	1.32	231675	.78	.23½	1.80	.70
Marriott	1	....	....	.12½	.12	.12½	36500	.45	.35	.46	.12
McDougall	1	....	....	.36	.34	.35¼	24850	.90	.24	.74¼	.34
McKinley	1	....	....	.19½	.17½	.19	11200	.25½	.11	.20	.16
McIntyre	5	20	4.00	26.00	24.65	25.00	6280	29.00	24.00	29.00	24.65
Mentor	10	....	....	....	....	....	....	14.00	12.00	13.00	12.50
Millcrest	1	....	....	.05	.04½	.04½	7000	.15	.02	.12	.04
Mining Corp.	5	.08	....	3.50	3.30	3.30	13440	5.05	2.90	5.50	3.18
Moneta	1	....	....	.07	.07	.07	500	.15½	.08¼	.12	.07
Montreal R.	1	....	....	....	....	....	....	.35	.10	.16	.05
Mint Ore	1	....	....	.35	.33	.33	2700	....	....	.44	.25
Mond Nickel	£1	....	....	45.00	45.00	45.00	40	....	....	46.50	31.00
Moss	1	....	....	.42	.42	.42	500	....	....	.70	.35
Murphy	1	....	....	.36	.30	.30	2500	....	....	.49¼	.30
Newbec	1	....	....	.42	.39	.40	66750	1.20	.62½	.66	.23
Night Hawk	1	....	....	.07¼	.07	.07¼	10000	.10½	.04	.10	.05½
Nipissing	5	6	7.79	4.11	3.50	3.85	4600	10.30	5.25	6.00	3.50
Noranda	None	....	....	50.00	38.50	49.50	242009	25.80	19.95	50.00	17.00
Nat. P.& D.		....	....	....	....	....	....	....	....	15.75	1.00
Nat. Silver	50c.	....	....	....	....	....	....	....	....	.20½	.17½
Notre Dame	1	....	....	....	....	....	....	....	....	.58½	.50
Ophir	1	....	....	....	....	....	....	.04⅛	.00¼	.03	.01
Osisko	.	....	....	.60	.55	.55½	4150	....	....	.75	.35
Picard	1	....	....	.10½	.06½	.06½	58500	....	....	.77	.05
Pawnee Kirk.	1	....	....	.36½	.30	.31	41400	.78	.64	.80	.30
P.L. Cobalt	1	....	....	.26½	.23	.25	24290	.18	.02	.30	.06
Porc. Crown	1	....	....	.04¼	.04	.04	1000	.11	.03	.08	.03
Pioneer	1	....	....	.55	.47	.47	61525	1.18	.45	.68	.47
Potter Doal	None	....	....	.13	.09½	.11	122100	.65	.10½	.22	.09½
Premier Gold	1	24	10.48	2.30	2.20	2.29	5155	2.50	1.86	3.50	2.15
Preston	1	....	....	.02¼	.02½	.02¼	3000	.07	.03	.05	.02
Pend Ore	1	....	....	15.00	13.75	14.75	12255	....	....	25.50	8.00
Pend, pref.	.	....	....	....	....	....	....	....	....	1.40	.95
Porter Idaho	50c.	....	....	.59	.56	.57½	4400	....	....	.88	.48
Ridgedome	1	....	....	....	....	....	....	....	....	1.25	1.03
Ribago	1	....	....	.10½	.08	.10	92750	.87	.13	.25	.07
Rouyn, G.	1	....	....	....	....	....	....	.04½	.02½	.03½	.01½
Rouyn, Que.	1	....	....	....	....	....	....	.04	.01⅛	.02	.01½
Rubec	1	....	....	....	....	....	....	3.65	.80	.80	.19
Realty & M.	None	....	....	.50	.49	.50	17400	.38	.15	.54¼	.09½
R. Montbray	.	....	....	.25	.18	.22½	73010	....	....	.32	.18
Ruth Hope	1	....	....	.56	.46	.54	26300	....	....	.63	.44
San Antonio	None	....	....	.37	.34	.34½	99011	.57	.30	.54½	.33
Siscoe	1	....	....	....	....	....	....	.60	.12	.60	.15
South Keora	1	....	....	....	....	....	....	.64½	.04½	.17¼	.03½
Stadacona	None	....	....	.16¼	.12¼	.16	82900	.55	.15	.21½	.09
St. Anthony	1	....	....	....	....	....	....	.50	.16	.52	.33
Sudbury M.	1	....	....	.08½	.06	.06	7100	....	....	.33½	.04
Sylvanite	1	....	....	2.70	2.10	2.55	14650	4.80	2.60	3.90	2.10
Sherritt G.	1	....	....	6.00	5.75	5.90	49710	....	....	8.00	5.60
Sud. Basin	None	....	....	9.80	9.25	9.30	39285	....	....	12.00	8.40
Sud. Contact	1	....	....	.27	.24	.26	8150	....	....	.50	.19
Rouyn Kenn.	1	....	....	....	....	....	....	....	....	1.10	1.10
Simard	.	....	....	....	....	....	....	....	....	11.50	10.00
Silversmith	20c.	....	....	.13½	.13½	.13½	3000	....	....	.23	.12
Slocan King	20c.	....	....	....	....	....	....	....	....	.11	.08
Selkirk	.	....	....	....	....	....	....	....	....	.03	.02⅞
Sunloch	1	....	....	2.75	2.25	2.71	1100	....	....	6.50	2.25
Thom. Cad'c.	1	....	....	.73	.65	.65	6900	....	....	1.06	.57½
Teck Hughes	1	60c.	5.47	11.20	10.70	10.95	48487	12.00	5.37	11.60	7.85
Telluride	1	....	....	....	....	....	....	.38	.35	.58	.37½
Tough Oakes	1	....	....	.27	.25	.25½	94950	.82	.25	.79	.21
Towagmac	1	....	....	4.00	2.52	3.50	45905	5.75	2.85	4.10	2.25
Timiskaming	1	....	....	....	....	....	....	.12	.04	.10¼	.05
Treadwell Y.	1	....	....	18.75	18.75	18.75	245	26.75	18.50	32.00	16.95
Topley	.	....	....	.55	.51	.55	28190	....	....	.65	.50
Thom. Krist.	1	....	....	....	....	....	....	.02	.00½	.01½	.01
Vickers	1	....	....	.70	.70	.70	550	1.52	.25	1.25	.60
Vipond	1	....	....	.53½	.51	.51	19370	1.74	.47	.99	.46
United Kirk.	1	....	....	....	....	....	....	....	....	.20	.10
Vaughan	1	....	....	....	....	....	....	....	....	1.70	1.15
Wakenda	1	....	....	....	....	....	....	.16	.01	.15½	.06
West D. Lake	1	....	....	.10½	.9½	.10	43950	.20	.08	.17½	.08½
Wiltsey C.	1	....	....	....	....	....	....	.74	.50	.56	.38
Wright Har.	None	20c.	5.06	4.15	3.75	3.95	72425	8.45	5.50	6.80	3.75
Windfall R.	None	....	....	.08	.07	.07½	8800	.31	.19¾	.25	.07
Whitewater	1	....	....	2.45	2.35	2.40	3900	....	....	2.85	2.25
Woodbine	None	....	....	.32	.29	.31	46750	....	....	.46	.27

CALGARY OIL STOCK

	Par Val.	Div. Rate	Yield	High for wk.	Low for wk.	Close July 3	Sales for wk.	Range 1927 High	Range 1927 Low	Range 1928 High	Range 1928 Low
Acme	.	....	....	....	....	....	....	....	....	.30	.17
Advance	1	....	....	.57½	.51	.55	1895	....	....	.95	.25
Alta. Pac.	1	....	....	.60	.50	.59	14483	....	....	.81	.30
Black Dia.	.	....	....	....	....	....	....	....	....	.35	.26
Brit. Dom.	1	....	....	.42½	.40	.42½	2082	....	....	.75	.25
Calmont Es.	.	....	....	.77½	.75	.75	6200	....	....	1.00	.75
Calmont	1	....	....	....	....	....	....	....	....	2.10	.85
Cal. Pet. P.	.	....	....	....	....	....	....	....	....	5.50	4.25
Cherokee	.	....	....	....	....	....	....	....	....	.07	.06
Dalhousie	None	....	....	2.80	2.55	2.77½	5233	....	....	4.25	2.25
Devenish	None	....	....	.55	.55	.55	1762	....	....	.75	.27
Great West	1	....	....	.16	.16	.16	55	....	....	.34	.10
Ill. Alta.	1	....	....	.55	.51	.54	4294	....	....	.77½	.45
Madison	.	....	....	....	....	....	....	....	....	.20	.14
Mayland	.	....	....	1.10	1.10	1.10	200	....	....	1.47½	1.06
McD. S. Ex.	1	....	....	2.00	2.45	2.50	776	....	....	3.00	1.40
McD.S.(new)	1	....	....	1.42½	1.37½	1.42½	1771	....	....	1.80	1.00
McLeod	1	....	....	4.92½	4.50	4.75	3361	....	....	7.10	2.97
Mid West	1	....	....	.35	.32½	.32½	250	....	....	.50	.26
Mill City	1	....	....	.35	.35	.35	520	....	....	.55	.27
Moose M'tn	1	....	....	....	....	....	....	....	....	.30	.25
Okalta, c.	None	....	....	....	....	....	....	....	....	47.00	20.00
Okalta, p.	100	....	....	85.00	82.50	82.50	33	....	....	100.00	70.00
Ranchmen's	1	....	....	....	....	....	....	....	....	.80	.65
Regent	.	....	....	....	....	....	....	....	....	.25	.25
Royalite	None	....	....	62.00	60.75	62.00	53	....	....	84.00	45.00
Signal Hill	1	....	....	.14	.13	.13	3650	....	....	.30	.13
Spooner	1	....	....	1.62½	1.52½	1.60	3165	....	....	3.00	.10
Stockmen	1	....	....	....	....	....	....	....	....	.60	.32
Turner Valley	1	....	....	.40	.40	.40	195	....	....	.70	.30
United	1	....	....	1.77½	1.50	1.77½	3074	....	....	2.65	1.12
Vulcan	1	....	....	2.10	2.05	2.10	2015	....	....	3.03	2.05

Sudbury Crater

I have noticed the advertisement of a new company called "Sudbury Crater Mining Co." I like the tone of the advertisement and would like to know what you know about this company and the people behind it.

Sudbury Crater Mining Company has acquired three groups of properties in the Sudbury district as you will have noticed in their advertising and have a fourth property in the Malartic district. All these properties await development, but are well located from a geological standpoint, and in the case of the Sudbury properties, have been favorably reported on by several mining engineers. The purchase of this stock at the present stage is a gamble, but the proposition appears to be handled in a clean cut way and we believe you will be given a good run for your money.

Tough-Oakes

Kindly give us some information on Tough-Oakes Mines, regarding management, financial standing, etc. What prospects would there be in buying shares in this mine?

The purchase of Tough-Oakes Mines stock at the present time would not appear particularly attractive to us. The company carries a heavy bonded indebtedness and is passing through a rather critical development stage.

Canadian Gold Fields Syndicate

Will you kindly advise us whether the stock of Canadian Gold Fields Syndicate has any value? This company was apparently incorporated at Rossland, B. C., in the early days of this century.

We have no information on our files concerning the Canadian Gold Fields Syndicate. We are inclined to believe that it has passed out of existence, but if you wrote the Department of Mines at Victoria, B.C., you might be able to secure the information you desire.

East Sudbury Deep

Would you kindly give me some information on East Sudbury Deep Mines?

East Sudbury Deep Mines is a prospect in the Sudbury Basin area. Diamond drilling is now being carried out on the property, but has not advanced to a stage where the full possibilities of the property can be estimated. The company is well financed and in good hands.

Hollinger

I purchased Hollinger at around $18, and in view of the recent action of the stock am undecided as to whether I should sell and take my loss, or hold. I would like to have your opinion. Do you think the mine is petering out.

A combination of circumstances has contributed to the slump in Hollinger. The market is experiencing a severe depression at the present time which good or bad news from the different properties does not seem to influence one way or the other. At the recent annual meeting, Mr. Brigham, general manager, stated that he knew of no geological condition that would lead him to believe that Hollinger was stopped.

Mining costs have been reduced to the point, he said that profits could now be made on ore having a value as low as $6 a ton.

In regard to the Kamiskotia property, Mr. Brigham stated that this property contained ore to the value of $12,145,000, but this could only be obtained if a smelter was erected on the property. From the standpoint of ore that could be shipped he estimated this at $4,600,000.

Hollinger and Central Manitoba

Would you please advise me if in your opinion Hollinger and Central Manitoba mining stocks are good buying at present?

Hollinger Consolidated and Central Manitoba Mines stock are well regarded. Hollinger has some $60,000,000 of ore reserves and is Canada's biggest gold producer.

Central Manitoba Mines is making rapid progress in its development and is the only producer in the Central Manitoba area. Its annual report, due in July, should reveal information of considerable interest.

Ostrom Mines

Ostrom Gold Mines at Boston Creek are to start a diamond drilling campaign to locate No. 12 vein, and also to explore the vein system east of the shaft. An official statement to that effect was made by the company following the recent inspection of the workings on the 500-foot level of the property by President G. E. Silvester, E. M., and Mine Manager James Houston.

Drifting operations will be suspended while the required information regarding structural formation is acquired by diamond drilling.

James Richardson Builds

James Richardson & Sons, Limited, have announced their proposal to build a new office and radio station quarters in Regina, at a cost of about $100,000. Radio station "CJRM" will be housed in the new building in especially designed quarters on the third floor.

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"CANADIAN MINING TRUTHS" is not a tipster sheet. Every issue contains a brief, unbiased report on approximately 50 different mines. It tells you what class of development work is going on at each property and whether the results are promising or disappointing. It covers both sides of the market by stating whether, in our opinion, the stock is selling too high or too low. No flowery language. No "beating-around-the-bush." Real straight from the shoulder statements, all said in a very few words but these few words tell you just what you want to know and are resulting in real profits to readers.

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LUCKY JIM MINE ELECTS OFFICERS FOR COMING YEAR

Company Will Continue Aggressive Development Campaign

From Our Own Correspondent

NELSON, B.C.—At the fourth annual meeting of the Lucky Jim Lead & Zinc Company, just held at Zincton, B.C., June 22, the first since the equipping of the property with a 200-ton mill, and the first since the Victoria Syndicate acquired control—first, by buying the issue of stock that financed the mill, and secondly by purchases in the market—plant operation and mine policy loomed large.

Changes made in the board last January, when A. G. Larson, of Spokane, resigned as president and general manager, and J. V. Pohlman of Spokane resigned as secretary, to be succeeded respectively by Colonel H. H. Yuill, general manager of the Victoria Syndicate for British Columbia, and James Anderson of Kaslo, were confirmed, by the reelection of the board as thereafter constituted, and by the board reelecting its officers. The directorate now consists of Colonel Yuill, president and general manager; R. H. Stewart, Vancouver, vice-president; James Anderson, secretary-treasurer; S. W. Miller, Vancouver; J. V. Pohlman, Spokane; and A. Brae, Kaslo. Dropping of A. G. Larson from the board marks the final severance from the managerial fortunes of the Lucky Jim of the big Kootenay engineer who brought the property, which, as a zinc shipper, had to ship to Joplin, Mo., through a long receivership to a position of solvency, obtained control, organized a new and deep development, found the ore bodies on which its revival is based, and proposed and arranged the financing of the new mill.

May Increase Tonnage

The annual report, written by Mr. Pohlman when still secretary, reveals that the mill, though rated at 200 tons capacity, has been provided with such surplus power and crushing capacity that "minor additions to the flotation end" will make it possible to exceed that tonnage materially if expansion becomes advisable. The plant was built after engineers advised that "on an output of 150 tons daily a combined saving of $2.90 per ton mine run could be effected in freight and milling costs. The installation of the large capacity and modern milling plant designed for reduction of ores on the ground, combined with rail transportation and complete mine equipment, provides Lucky Jim with all the facilities for continuous, efficient and economical operation," said the report.

Verbally supplementing this, the management assured shareholders that the mill, which has been operating since March, and working up to larger tonnage, is meeting expectations both in recoveries and in saving of costs.

"It will be the policy of the company to continue development work aggressively," the report says. "First consideration will be given to further proving the downward extension of the ore bodies on No. 6 level, the lowest adit of the mine, and which attains a depth of 1,700 feet from the surface, or 700 feet below No. 5, on the dip of the vein. There are strong indications that a limited amount of work on this level will disclose ore bodies of equal or greater magnitude than on any of the levels above. There are numerous places in the mine where extension of the present laterals and cross-cuts also promise to yield important results."

In a special report on construction, which was begun in July, and ended the past winter, R. H. Stewart thus describes the plant, which was designed in principle by W. L. Zeigler, expert of the Hecla Company, of Idaho:

"The mill consists of a coarse crushing plant, including receiving bin for ore from the mine, 24 x 16 jaw crusher, and a set of 42 x 14 rolls, from which the ore is carried by belt conveyor to the mill bin. From the mill bin it is fed to an 8 ft. x 36 in. ball mill by means of roll feeders and a belt conveyor.

"The ball mill is in closed circuit with an 8 ft. x 24 Dorr classifier. The overflow from the classifier is fed to an 18-inch subaeration Minerals Separation flotation machine consisting of 20 cells. Thence the zinc and lead concentrates are pumped to a four-leaf 8 ft. American filter, and after filtering, delivered to storage bins, whence they are conveyed by belt conveyor to cars.

"All machines are electrically driven. Power is supplied by two four-cylinder Petter oil engines, each of 250 h.p., direct connected to Westinghouse 200 K.V.A. alternators, 440 volts, 60 cycle, three-phase. There is in addition one 120 h.p. Fairbanks-Morse engine, belted to an air compressor and to a 90 K.V.A. alternator, so arranged that the engine may drive either compressor or alternator, or the alternator may be used as a motor, driving the compressor. This provides for closing down any one engine for repairs without stopping operations."

Net Smelter Returns $48,602

Shipment in 1927 was confined to the first five months, which were credited with 532 tons of silver-lead concentrates and 2,296.7 tons of zinc concentrates, on which, after deducting $38,672.56 for freight and milling, at $1.60 for the former and $3 for the latter per ton, net smelter returns were $48,602.50, milling being at the Trail custom mill. These results were from 8,388 tons of ore treated, the lead concentrates producing 503,432 pounds of lead and 26,422.5 ounces of silver, while the zinc concentrates yielded 2,392,684 pounds of zinc and 7,906.6 ounces of silver. As appearing in the profit and loss statement, however, net smelter returns and royalties, the latter on leasers' ore milled at Rosebery, are given as $46,911.24, production expense of $32,300.60 leaving net income from production of $14,610,64. Allowing for depreciation and depletion reserves and loss on boarding house operation, there was a net operating loss of $2,361.36, which, with interest and income tax allowed for, made the net loss to surplus account $6,895.84, leaving the company's surplus at December 31 as $16,422.41.

The balance sheet shows total assets at $361,492.60, of which, after cash, ore in transit, and insurance and supplies are considered, $341,365.08 represents fixed assets. In this grouping, mining property and development goes in at $109,465.55 after depletion, mine buildings at $13,897.35, mine equipment at $35,391.27, and the reconditioned Rosebery mill, now not in use, at $39,752.44, all these plant values being after depreciation. New construction and equipment, presumably on new mill account chiefly, are appraised at $136,966.28 and $6,139.50 is advance for machinery.

Liabilities to the same amount are made up of $21,770.19 for current bills and payroll as at December 31; $23,300 principal and interest owing Rosebery-Surprise Mining Company on old Rosebery mill purchase; earned surplus of $16,422.41; and capital of $300,000.

Noranda Responds With New High Mark to Keen Buying Wave

Canadians and English Vie With Americans in Bidding

POSSIBILITIES GROW

Purchase Stock to Hold as an Investment

How high is Noranda going to go on its present upward surge? How big a mine is it going to be? These are the two questions uppermost in the mind of the speculator and the investor in Quebec's wonder mine at the present time.

The correct answer to each of the questions is worth money, big money, but of course there's a catch. The catch is, no one can answer either question. Time alone will tell the tale.

Noranda made a new high mark last week, which it immediately surpassed on the opening of the Canadian markets, following the Dominion Day holiday this week. It was generally believed that American buying was sending the stock up, but it was Canadian buying that sent the stock up from its high of $48 achieved on the New York market to the $50 mark here on Tuesday.

The rumor that the Americans are again striving to gain control of the stock is going the rounds. They had it once, but got out to get into Hudson Bay Mining and Smelting, when it was believed that Noranda's was a shallow-seated ore body.

Diamond drilling and underground development work has disclosed that the Noranda orebody is of much greater extent than was at first believed, and as the work proceeds the possibilities of the mine continue to grow.

Brokers report that the rumor of Americans attempting to gain control is not well founded, as buying orders from the United States are general, and there is no indication of any particular block being behind the movement. It is known that some heavy buying orders have come from one group of New York interests, and that a Boston group have also been placing large orders, but in addition to these a Chicago group is reported to have bought in a large block, and buying both in Montreal and Toronto has been heavy as well. In addition to this heavy orders have been placed for London accounts.

Treated as an Investment

Undoubtedly a great deal of the buying that is going on at present is purely speculative, but a remarkable change has taken place in the attitude of the general public, and many are purchasing Noranda as an investment, that is to be held and put away to await the results of further development.

A rather striking illustration of this attitude was shown by an American investment trust. The trust in question purchased Noranda when it was selling at lower levels purely as a speculation. Recently, taking into consideration the remarkable growth in ore reserves, and the possibilities later development work has revealed, it has purchased a large block of the stock as an investment, notwithstanding the much higher prices Noranda now commands.

The Canadian public appear to have kept well posted on Noranda's mine development, and one in close touch with the situation recently expressed the opinion that no matter to what heights the stock rose, or what recessions it might suffer, the Canadian investor has faith in Noranda, and would continue to hold its stock. He did not believe any market play whether bullish or bearish, would induce Canadians to allow control to go out of this country.

Denman Branch at Ottawa

Denman & Co., investment bankers, Hamilton, Ont., announce the opening of an Ottawa office, located in the Blackburn Bldg.

This office will be under the management of Harry L. Broadbent, who is well known in Ottawa business and financial circles. Denman & Co. have been prominent in Canadian industrial financing and have branches in Toronto, London and Belleville, Ont.

FAVORABLE LAKE DRILLING SEASON GETS UNDERWAY

Walter Woods Appointed to Prove Up Ken Murray Discovery

The Favorable Lake Mining and Exploration Co. has despatched diamond drills to its holdings at Favorable Lake. This is the ground known as the "Ken Murray Discovery," which was optioned by F. M. Connell, E.M., and acquired from him by the Favorable Lake Mining and Exploration Co.

The property lies 130 miles north of Red Lake and some 160 miles north-east of Lake Winnipeg. When news of Murray's discovery leaked out, a rush started to this area and staking proceeded for miles around.

Walter Woods, E.M., has been placed in charge of development work for Favorable Lake Mining and Exploration, and it is proposed to carry on from two to three thousand feet of diamond drilling. A crew of 15 men have been sent in to the property and surface work will also be carried out.

The main vein of the Connell option has already been traced for a distance of 975 feet and has disclosed interesting showings of zinc, lead, gold, and silver. The gold and silver values alone are considered sufficient to make commercial ore.

Murray staked the property last October and the work of opening up the property and is now proceeding with an extensive program outlined by W. E. Simpson, E.M.

It is proposed to sink drill holes on the main break at intervals of 50 feet, and that three or four months work will serve to indicate what results may be anticipated from the development of this property.

POWER AND MINES NOW CONTROLS UNITED ALGOMA

New Board of Directors Elected; Development Work Under Way

Power and Mines Corporation in virtue of monies spent in the development of the Grace Mine in the Michipicoten district, and of an agreement entered into with the United Algoma Gold Mines, has secured stock control of the latter company. The corporation announces its intention of pursuing more vigorous development of the property and is now proceeding with an extensive program outlined by W. E. Simpson, E.M.

This is to include prospecting of the surface on the southern end of the property from the shaft and the workings on the Nyman vein. Stripping of this vein is now in progress, two shallow test pits have been sunk, and a considerable amount of free gold is reported to have been seen in the vein.

The underground program calls for developing the main ore body on the 3rd and 4th levels where the best ore has already been proved. It is proposed to put up a raise to the 2nd and the 1st levels, and connecting the old workings at the 2nd by extending the north drift from the point where the former operators left off. From the 4th level the program calls for a raise to the 3rd and the sinking of a winze.

Elect New Directors

The securing of control by Power and Mines Corporation has resulted in a change in the board of directors of United Algoma Gold Mines. The old directors of the latter company have resigned and the board as at present constituted is as follows:

President, Sir. F. O. Loomis, Montreal; vice-president, Col. Geo. C. Royce; additional directors, Thomas Jones, Granville Gilmore, R. A. Darwin, Nap. G. Kirouac, and W. Evans.

Canada Co-Operative Finance Corporation has issued the following bulletin on Grace Mine:

Development Work

"Power & Mines took over the management of the Grace Mine in November, 1925, since which time the development of the property has been vigorously prosecuted. The mine has been thoroughly equipped with every necessary electrical device such as compressors, hoists, pumps, drill, sharpeners, etc. The shaft is down to a depth of 450 ft., and a great deal of drift-work has been accomplished. On the fourth level the drift on the vein is about 650 feet in either direction north and south from the shaft and all drifts are in high grade ore. On the third and fourth levels south the vein is approximately 12 feet wide, while on the same levels north the width is about 4 feet. Of course, as you are aware, this refers entirely to the Grace vein.

"The Nyman vein, of which you have heard very little, is showing up remarkably well. This vein is situated immediately northeast of the shaft running in a north-easterly direction and intersects the Grace vein at some point south of the shaft.

"This vein has been stripped on the surface for a distance of approximately 2,500 feet, and you will observe from the accompanying report, carries considerable free gold. Channel samples made last summer showed 16.10 per ton. The Nyman vein is about 8 feet wide. The Grace Mine has all the earmarks of one of the big producing mines of this country."

Open in Cobalt

Stewart, McNair & Company, members Toronto Stock Exchange, announce the opening of a North Bay office in charge of Forbes Knight. Mr. Knight has been associated with the Bank of Nova Scotia as manager of various branch offices for a number of years, having opened the original Cobalt branch in 1906. This office will be connected with Toronto, Montreal, New York and Chicago by direct private wire connections.

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What is the Outlook For
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IN THE current issue of the Market Despatch we analyze thoroughly the present financial and physical position and the outlook for this premier Nickel producer of the world.
This article is interspersed with interesting charts and graphs. It forecasts what, in our opinion, shareholders may expect from a market standpoint in these shares during 1928.
A copy of this issue of the Market Despatch will be mailed upon request.
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Announcing the Initial Offering Price of
CANADA QUEBEC MINING CORPORATION Limited

THE Canada Quebec Mining Corporation Limited has been formed to develop several groups of valuable claims situated in the most promising mining districts of Northern Quebec.

The largest of these groups of claims consists of approximately 1,700 acres situated north-west of the Abana and Abbey Mines and about ten miles from the main transcontinental line of the Canadian National Railways.

The entire property lies within the known ore zones of the Abana district which is rich in copper, zinc, gold and silver. An indication of the high mineral content of the area is shown by the fact that with recent discoveries nearly $20,000,000 of ore is now in sight on the Abana property.

CAPITALIZATION
The authorized capital will consist of 5,000,000 shares of no par value of which 2,000,000 has been set aside for payment of claims and properties. 2,000,000 will be sold and the proceeds used for prosecuting development work along the most approved scientific lines. The balance will be retained in the treasury of the Company.

The second group of claims consists of 800 acres west of La Reine Mine, and likewise in the Abana district.

The third group of claims are situated in Cadillac and Bousquet townships in the well known Harricanaw River Valley. In this area, which is one of free milling gold, there are at present valuable properties such as Thompson-Cadillac, Malartic, Graham-Bousquet, Siscoe and O'Brien. It is reported that there has been put in sight over $50,000,000 of ore in this district.

Competent mining men have declared that it is destined to become a second Kirkland Lake District.

The claims of the Canada Quebec Mining Corporation Limited are well situated and surface indications point to potentialities as rich if not richer than its proven neighbours.

The selection of these different groups is the result of several seasons work. They were purchased only after careful consideration supported by the advice of our own technical staff. Surface indications, their close proximity to other proven properties and the fact that they lie within roughly established ore zones of the districts in which they are situated makes them outstanding prospects from the point of view of the investor.

Each of these three groups of claims is fortunately situated in regard to two very important factors in modern mining—transportation and power. In no case are they handicapped by being great distances from existing railroad facilities. Likewise the Power Company which serves the entire area has made it a policy of keeping well ahead of the power needs of the rapidly growing mining industry, so that power is readily available to drive the varied machinery of new mines as they are brought into production.

It is these two factors that make the Northern Quebec mining field a particularly attractive one for the simple reason that after a property has been proven by diamond drilling and other scientific aids, the investor is not obliged to wait months and even years for the construction of new railroads and electric power facilities.

Taking the Northern Quebec field as a whole, it probably comprises 50,000 square miles. Of this vast area hardly one fifth has been explored. Yet three major fields of great importance have been brought in—Noranda, Abana and the Harricanaw River Valley.

The underlying plan of the Canada Quebec Mining Corporation is one of diversification. That is to say, instead of concentrating all their efforts on one single claim the Company will work three different groups of claims in widely separated but proven districts. Thus, if even only one of the claims proves to be of commercial value, the investment will yield a handsome return. Our technical staff, however, feel confident that results will far exceed any such one in three expectations.

Our recommendation of Canada Quebec Mining Corporation is made not only on the present value of the claims already under contract, but on the potential value of the whole mining field of Northern Quebec. If the Canada Quebec Mining Corporation fails to bring in a mine on its present holdings it will, as an exploration company, prospect the whole area until it locates a commercial ore body. Backed by the Williams, Brochu Mining Division, the Canada Quebec Mining Corporation has nine chances out of ten in its favour.

PRICE
The stock will be sold in four groups, viz., at 35, 40, 45 and 50 cents per share. Inasmuch as later purchasers will reap the benefit of actual development work, they will be obliged to pay a higher price for their stock. We therefore recommend that you take advantage of the initial offering price of 35 cents per share. Fill in coupon and mail to-day.

We have no hesitation in recommending the Canada Quebec Mining Corporation as a most interesting speculation.

These shares may be purchased through your own broker or direct from us.

WILLIAMS, BROCHU & COMPANY ....192....
466 St. Francois Xavier St., Montreal.
I hereby purchase from you ....Shares of "Canada Quebec Mining Corporation Limited," initial offering price of 35 cents per share.
I hereby also agree to pay the sum of....................
....................Dollars ($)
in full settlement of the above purchase and accept delivery of said shares.
Certificate or transfer in the name of....................
Terms: Signature....................
Address....................
7-1-28
Note: All cheques and other forms of settlement must be made payable to Williams, Brochu & Company. Certificates will be transferred upon full settlement. In making this purchase buyer relies solely upon the printed matter or written agreement issued by Williams, Brochu & Co., and this purchase is made with this understanding by the parties hereto. Prices subject to change without notice.
27